

The export earnings from oilseeds and chat grew by 10 and 8 fold respectively during the Growth and Transformation Plan (GTP) period, the Ministry of Trade said. The revenue the nation earned from these items is growing constantly. Last fiscal year, the nation earned a total of 940 million USD revenues from oilseeds and chat, which are the second and third largest revenue generating agricultural items.

Oilseed and Chat are the only agricultural items that have shown persistent revenue growth throughout the GTP period, Abdurrahman Seid public relations deputy head at the Ministry told ENA. The increasing demand for oilseeds at the international market and increasing amount of the items are the major reasons for the increase.

Revenue secured from oilseeds has grown by over 10 fold, has reached 642.7 million USD last year. Oilseeds generated 63.2 million USD in 2003E.C, the first year of the GTP period. The revenue gained from oilseeds export over the past four years grew by more than 10 fold. Increasing the demand for oil seeds and high private involvement are the major causes for the increase in revenue, Abdurrahman said. The increasing utilization of modern technologies and inputs and consistent support from the government helped to increase production, thereby raise amount of export, he added.

Chat is the other agricultural item, its revenues has on the rise. Revenue from chat, which was 33.1 million USD at the first year of the GTP, increased by more than eight fold and reached 297.3 million USD last year. Chat has become the second fastest growing agricultural export item next to sesame, which contributes for over 96 percent of revenue of oilseeds, in terms of revenue generating.

The ever-growing demand for chat among neighboring countries led for the increasing in revenue earned from chat, he said. Farmers opt to cultivate Chat, the third largest income generating item among agricultural products, because of its reward, which is high profit with low effort during cultivation, Abdurrahman added.

Despite yearly fluctuations, coffee continues to be the number one revenue generating item. Last year coffee generates 718.7 million

USD revenues. In spite of being number one in terms of revenue, the revenue has been declining throughout the GTP period, from 841.6 million USD at end of first year of the GTP to 718.7 million USD last year.

Lower price, increasing competition at the international market and tendency of some exporters to supply the item to the local market instead of exporting it are the main drives for the decline, according to Abdurrahman.

The nation has been exerting efforts to address the challenge related to exporters supplying coffee to local market, he added, activities are also underway to improve its quality. Last year a total of 2.149 billion USD revenues were earned from export of live animals and agricultural items, excluding horticultural products. The performance meets 77 percent of the goal set for that year, which was 2.792 billion USD.

**Source: ENA**