



Market Survey

Ethiopia, Eritrea, Rwanda,
Burundi

Ethiopia

Ethiopian Government

- Three companies making;
 - Bread
 - Pasta
 - Biscuits
 - Flour

Ethiopian Private Sector

- Over 290 bakeries
- 400 kg – 2.5 mt per day
- Less than 50% produce bread only
- Other lines include cakes and biscuits
- Majority of sales for bread rolls 50 – 70 gms

Price of main ingredient in Ethiopia

	Official	Ksh	Unofficial	Ksh
Wheat flour (90 kg bag)	\$32.40	2,333	\$59.04	4,251
Sugar (50 kg bag)	\$49.50	3,564	\$90	6,480
Eggs (tray of 30)	\$2.10	151 KenAgri	\$3.60	259

Price of main Ethiopian bread products

	Official	Ksh	Unofficial	Ksh
Bread roll (50 – 55 gms)	\$0.04	2.88	\$0.02	1.6
Loaf 200 – 230 gms	\$0.20	14.4	\$0.11	8

Two Ethiopian Bakery's Plain Bread Recipes

Wheat Flour	100 kg	100 kg
Vegetable Oil	2.5 Litres	3.3 Litres
Water	50 Litres	23 litres
Yeast	500 gms	580 gms
Bread Improver	250 gms	500 gms
Colouring	40 gms	
Salt		1 kg
Sweet Bread		
Sugar	10 kg	1 kg

Ethiopian Market

- Margins down from over 20% to between 5 - 6 %
- Largest biscuit producer using over 16 mt of wheat flour per day
- Largest cake producer using over 2.5 mt of wheat flour per day
- Fasting

Ethiopian Bakeries' View of Customers

- Customer generally has no knowledge of nutritional value
- In the markets for the lower income inhabitants the size of the bread product is more important than appearance
- Lower income customers unlikely to purchase any new products including soy if it costs more

Eritrea

Eritrean Government Involvement

- Government intervention policy in bread making
- Subsidizing bread flour so its sold at about \$9 / ksh 650 per 90 kg bag
- Pasta, biscuits and cake producers pay \$39 / Ksh 2,806 per 90 kg bag wheat flour

Eritrean Government Regulated Bread Prices

- A baker sells each roll for \$0.022 / ksh 1.58
- A retailer sells each bread roll for \$0.023 / ksh 1.66
- Retailers income is ksh 0.07 per roll
- 100 kg of wheat flour is estimated to produce 1,200 rolls

Eritrean Market

- Largest private bakery has the capacity to use 4 mt of wheat flour per day, can only source 1.9 – 2 mt per day
- Largest biscuit maker uses around 1.5 mt of wheat flour per day

Eritrean Market

- Eritreans in the past liked a wide variety of different breads
- Sales of bread are restricted
- The customer generally has no knowledge of nutritional value
- Majority of customers are interested in price and perceived volume

Rwanda

Rwandan Market

- Move from traditional baguettes to loaves with a preference for the 250 gm size
- Variety of breads available (rolls, loaves different shapes etc.)
- Number of bakeries expanding slowly
- Largest bakery uses 2.5 mt wheat flour per day

Price of main ingredients in Rwanda

- Wheat Flour \$66 – 72 / Ksh 4,730 – 5,185 per 90 kg bag
- Eggs \$3.30 – 3.90 / Ksh 240 - 282 per tray (30 eggs)

Rwandan Market

- Most of the bread is sold through kiosks
- Shelf life extension would be an advantage
- Only one company was using packaging

Burundi

Burundian Market

- 6 years ago 5 bakeries now over 20
- Previously established bakeries have seen their sales drop by 50%
- Customer has no loyalty interested only in quantity against price

Burundian price of wheat flour

	\$ / 90 kg bag	Ksh / 90 kg bag
Local Flour	64.80	4,666
Azam Flour Tz Duty paid	75.60	5,443
Azam Flour Tz Smuggled	70.20	5054
Bakhresa Ugandan Flour	63.00	4,536

Burundian market

- Largest bakery uses 3.5 mt of wheat flour per day
- Largest variety of breads available (rolls, loaves different shapes etc.)
- Customers have moved from baguettes to loaves

Burundian Market

- Bread is seen to be a cheap staple
- Price of all ingredients have increased, bread price remained the same
- Packaging is too expensive; customers will not pay for it
- Bread distributed to kiosk and supermarkets by bicycle
- Retailer makes ksh 3.60 per loaf sold

Summary

- No where was there an awareness of value of nutritional composition
- All markets were determined by price and perceived quantity
- Interest in soy products will be driven by economics (i.e., increased volume, increased weight, shorter cooking time etc.)