

Castor oil as a high value export commodity: Linking Ethiopian farmers to German companies



Tim K. Loos¹ and Marlene Hoppe²

¹ Food Security Center, University of Hohenheim

² Consulting und Service für Pflanzliche Rohstoffe GmbH

Background

- ❖ High international demand for castor oil (*Ricinus communis*)
- ❖ Ethiopia highly suitable for castor seed production
- ❖ Increasing export of castor seed over past years

Objective

- Assess the potential of linking Ethiopian farmers and processors with German companies so as to achieve a cooperative relationship with mutual benefits

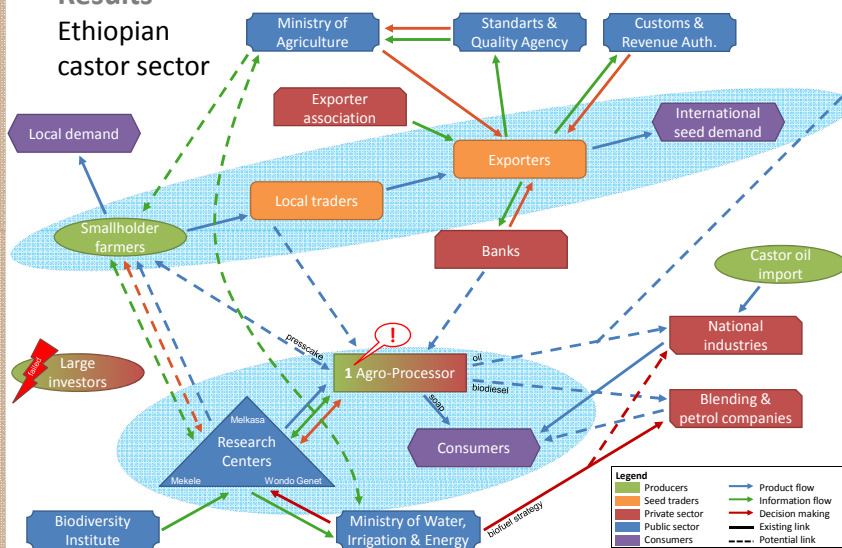


Demand driven approach

- ❖ **Demand structure** → Expert interviews with German companies (product and supplier requirements)
- ❖ **Production structure** → Expert interviews, group discussion and NetMap exercises with Ethiopian stakeholders
- ❖ **Comparison** of current and required status to identify links and gaps

Results

Ethiopian castor sector



International castor oil demand

- ❖ General requirements
 - quality standards according to the ICOA (International Castor Oil Association, Inc.)
 - on time production and loyalty
 - competitive price

Properties	Value
Seed Yield	200-250
Oil Yield (%)	20-25
Color (standard)	6.5-8.0 (Shades)
Moisture	1.00%
Free fatty acids	1.00%
Viscosity	0.20%
Mineral matter	0.25%
Impurities	0.25%

- ❖ On-site requirements
 - low cost technologies and know how
 - easy on-site maintenance
 - reliable contacts and/or contracts
 - hard and soft location factors

→ Gaps

- No links between producers, producer groups and processors
- No large-scale producers or processors
- Limited knowledge of best practice and access to improved seed
- Policy priority on oil seeds for biofuels, but incentives for investments in agro-processing and value addition for export

- ❖ Smallholder cultivation of wild varieties as fences
- ❖ Functioning export channel for seeds (China)
- ❖ High farm gate price for seed (close to world market price)
- ❖ Processing at research stage
- ❖ Many interested national investors
- ❖ High cultivation potential, two improved varieties

Conclusion and the way forward

- Theoretically good potential to initiate collaborations
- Investments only viable if high value oil can be produced
- Necessary to establish processing capacity complying with high quality standards
- Financial assessment of investment potential
- Facilitate round table with interested and relevant stakeholders

