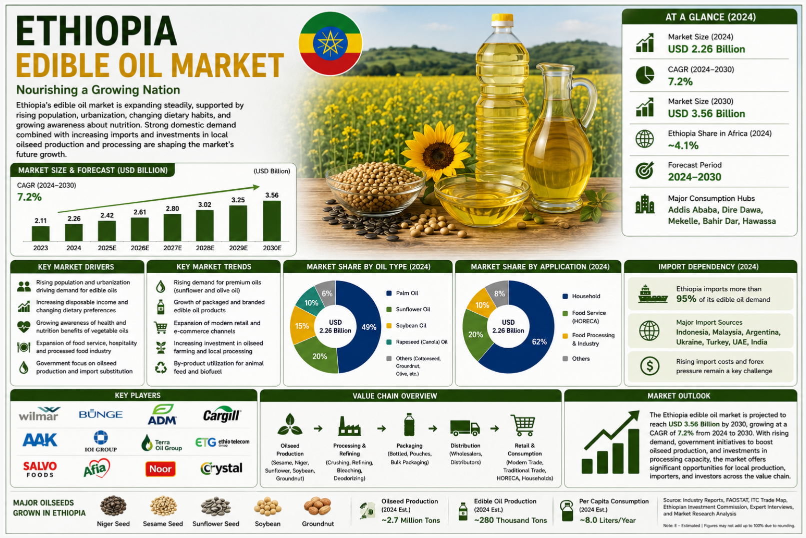
Ethiopia Edible Oil Market 2026-2034 | Size, Share, Price, Demand

Ethiopia edible oil market size reached 838.76 Million Tons in 2025, is projected to reach 941.32 Million Tons by 2034, a growth rate CAGR of 1.29% 2026-2034.



Ethiopia Edible Oil Market

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The Ethiopia edible oil market reached □□□.□□ □□□□□□□ □□□□ in 2025 and is projected to reach □□□.□□ □□□□□□□ □□□□ by 2034, exhibiting a growth rate (□□□□) □□ □.□□% □□□□□□ □□□□–□□□□. The Ethiopia edible oil market is being shaped by the country's ambitious push toward import substitution, as approximately 90% of national edible oil demand continues to be met through imports despite Ethiopia possessing Africa's largest livestock population and favorable agro-climatic conditions for oilseed cultivation. The Ministry of Agriculture is targeting a doubling of domestic oil production coverage from 13% to 25%, while the Phibela Industrial Complex — one of Africa's largest edible oil refineries with 1.5 million litres per day capacity — is positioning to eventually meet up to 60% of national demand. Growing urbanization, rising per capita incomes, and increasing health awareness regarding cooking oil choices are simultaneously reshaping consumption patterns across the country.

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The Ministry of Agriculture unveiled an ambitious plan to double domestic edible oil production from 13% to 25% of national demand; the Phibela Industrial Complex at Bure, built with an investment of 4.5 billion birr, has the capacity to produce 1.5 million litres of palm and sunflower oil daily; Ethiopia opened a mega edible oil processing factory worth USD 113.7 million to meet domestic demand; five of the largest refineries — Phibela, Hamaressa, Shemu, Al-Impex, and Gifti Foods — collectively requested USD 930 million in working capital support; the government lifted a four-year ban on edible oil importation for local companies; and the Ministry of Trade readied over 13.6 million litres of cooking oil for distribution ahead of major public holidays.

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- Ethiopia's edible oil market is characterized by a significant import dependency, with approximately 90% of national demand being met through imports — primarily palm oil from Indonesia and Malaysia — at an annual cost approaching USD 500 million. Domestic demand reached 686 million litres in the previous year, yet local production covers only around 13% of requirements. The government's import substitution strategy, modeled after its successful wheat self-sufficiency program, is catalyzing major investments in domestic oilseed cultivation and processing capacity to gradually reduce this dependency while building a competitive local edible oil industry.

- The Phibela Industrial Complex, owned by pioneer edible oil investor Belayneh Kinde through Belayneh Kindie Group (BKG), represents one of the most significant investments in Ethiopian food processing. Located at Bure in the Amhara Region and built with an investment of 4.5 billion birr, this facility has the capacity to produce 1,500 tonnes — or 1.5 million litres — of palm and sunflower oil per day. When fully operational, Phibela alone has the capacity to meet up to 60% of Ethiopia's total edible oil demand, marking a transformative step toward import substitution.

- The government opened a mega edible oil processing factory worth USD 113.7 million to boost domestic production capacity and reduce import dependency. Additionally, a separate five billion birr edible oil plant has gone operational, further expanding the country's processing infrastructure. These investments are part of a broader strategy to build integrated agro-processing parks that connect oilseed farmers directly with modern refining facilities, improving supply chain efficiency and value addition within the domestic economy.

- Ethiopia cultivates nine major oilseed crops — sesame, niger seed (noug), soybean, sunflower, groundnut, linseed, rapeseed, castor, and cotton seed — which collectively account for approximately 20% of agricultural export revenues, second only to coffee. However, the paradox of exporting raw oilseeds while importing refined edible oil highlights the critical gap in domestic processing capacity. The Ministry of Agriculture is promoting expanded cultivation of sunflower, groundnut, and soybean as feedstock for local refineries, while oil palm cultivation in Gambella and southern regions is being explored as a long-term solution.

- The five largest edible oil refineries — Phibela, Hamaressa, Shemu, Al-Impex, and Gifti Foods — collectively requested USD 930 million in working capital support from the government to import crude oil and operate at just 40% of their total capacity. This request underscores the foreign currency constraints and raw material access challenges facing the processing sector, even as new facilities are being commissioned. The government's response, including lifting the four-year ban on edible oil importation for local companies, is aimed at stabilizing supply while building long-term production capacity.

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Artificial intelligence is increasingly being applied across the Ethiopia edible oil value chain, from precision agriculture tools optimizing oilseed cultivation to AI-powered quality control systems in processing facilities — with the global AI in food processing market growing rapidly as manufacturers adopt machine learning for yield optimization, predictive maintenance, and supply chain efficiency improvements.

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• The government's import substitution strategy is the defining trend shaping the Ethiopia edible oil market, with the Ministry of Agriculture targeting a doubling of domestic production coverage from 13% to 25% of national demand. Modeled after the successful wheat self-sufficiency program, this strategy is channeling investment into integrated agricultural processing parks, large-scale refining facilities, and expanded oilseed cultivation programs across Oromia, Amhara, and SNNPR regions.

• Processing capacity is expanding rapidly but remains significantly underutilized, with Ethiopia's five largest refineries operating at just 40% of capacity due to foreign currency constraints and raw material shortages. The commissioning of the USD 113.7 million mega processing factory and the five billion birr plant represents substantial progress, yet the USD 930 million working capital request from major refineries highlights the persistent gap between installed capacity and operational reality.

• Palm oil cultivation is emerging as a long-term strategic priority, with the government exploring large-scale oil palm plantations in Gambella, Omo, and Awash valleys. While a 100-hectare pilot plantation exists near Tepi with plans for expansion, oil palm is increasingly recognized as the ultimate solution for edible oil self-sufficiency — though scaling production to meaningful levels will require sustained investment in plantation development, processing infrastructure, and farmer training over the coming decade.

• Consumer preferences are shifting toward healthier cooking oil options, with growing health awareness and nutritional education campaigns influencing purchasing decisions in urban markets. The demand for oils with lower saturated fat content and higher nutritional value — particularly sunflower and soybean oils — is growing alongside traditional palm oil consumption, pushing processors to diversify product portfolios and invest in quality assurance and product labeling compliance.

• The oilseed export-import paradox is drawing policy attention, as Ethiopia exports significant volumes of raw sesame, niger seed, and other oilseeds for foreign currency while simultaneously spending nearly USD 500 million annually to import refined edible oil. Government policy reforms — including tax incentives for domestic producers, import duty adjustments, and the establishment of standardized quality requirements — are aiming to redirect oilseed supplies toward local processing facilities and reduce this structural trade imbalance.

• Supply chain logistics and distribution infrastructure are being strengthened, with the government readying over 13.6 million litres of cooking oil for public holiday distribution periods and purchasing 43 million litres from Djibouti to supplement domestic supplies. These interventions highlight both the scale of demand management challenges and the government's active role in ensuring adequate supply availability during peak consumption periods.

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The Ethiopian government's comprehensive import substitution strategy is providing structural support for domestic edible oil production growth. With 90% import dependency costing nearly USD 500 million annually, the Ministry of Agriculture's plan to double domestic production from 13% to 25% is driving expansion of oilseed cultivation across sunflower, soybean, and groundnut crops. Policy incentives including tax holidays for domestic producers, duty-free machinery imports, and investment promotion schemes are attracting both local and foreign capital into processing infrastructure, while the strategic exploration of oil palm cultivation in Gambella and southern regions targets long-term self-sufficiency.

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Large-scale investments in edible oil processing infrastructure are transforming Ethiopia's manufacturing capabilities. The Phibela Industrial Complex with 1.5 million litres per day capacity, the USD 113.7 million mega processing factory, and the five billion birr plant collectively represent a massive expansion of the country's refining base. These facilities are connected to integrated agricultural processing parks that link oilseed farmers directly with modern refining operations, improving value chain efficiency and creating employment opportunities across farming, processing, and distribution segments.

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Ethiopia's rapidly growing population, increasing urbanization, and rising disposable incomes are sustaining steady demand growth for edible oil products. With national demand reaching 686 million litres and continuing to expand, changing dietary patterns among urban consumers are driving preferences toward branded, quality-assured cooking oils with clear nutritional labeling. Health awareness campaigns promoting lower saturated fat options are diversifying demand toward sunflower and soybean oils, while the expansion of modern retail channels in Addis Ababa and regional urban centers is creating structured distribution opportunities for domestic producers.

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IMARC Group's research categorizes the Ethiopia edible oil market as follows:

[illegible]:
- Palm Oil
- Soybean Oil
- Mustard Oil
- Sunflower Oil
- Others

[illegible]:

- Pouches
- Jars
- Cans
- Bottles

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- Addis Ababa
- Oromia Region
- Amhara Region
- SNNPR Region
- Tigray Region
- Others

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The competitive landscape of the Ethiopia edible oil market includes key domestic processors and industrial groups driving production expansion. Major players operating in the market include Phibela Industrial PLC (BKG), Addis Modjo Edible Oil Complex, Hamaressa Edible Oil, Shemu Group, Al-Impex, and Gifti Foods. Detailed profiles of all major companies are provided within the full IMARC Group research report.

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□□□□: The Ministry of Agriculture unveiled an ambitious plan to double domestic edible oil production coverage from the current 13% to 25% of national demand, modeled after the successful wheat self-sufficiency program and targeting expanded cultivation of sunflower, soybean, and groundnut crops.

□□□□: Ethiopia opened a mega edible oil processing factory worth USD 113.7 million to boost domestic production capacity and reduce reliance on imported refined oil, as part of the broader import substitution strategy for the agro-processing sector.

□□□□: The five largest edible oil refineries — Phibela, Hamaressa, Shemu, Al-Impex, and Gifti Foods — collectively requested USD 930 million in working capital support from the government to import crude oil and function at 40% of their total processing capacity.

□□□□: The government lifted a four-year ban on the importation of edible oils for local companies, aiming to stabilize domestic supply and support refineries struggling with raw material shortages and foreign currency constraints.

□□□□: The Ministry of Trade and Regional Integration readied over 13.6 million litres of cooking oil for distribution to the market ahead of major Ethiopian public holidays, ensuring adequate supply during peak consumption periods.

□□□□: A five billion birr edible oil processing plant went operational, adding significant production capacity to Ethiopia's growing network of domestic refineries and contributing to the government's long-term goal of edible oil self-sufficiency.

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