

COVID-19 and the Cotton Value Chain in Ethiopia

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Covid-19: new challenge or new opportunity to enhance sustainability of
agricultural and fisheries value chains in EU partner countries?

Cotton Value Chain in Ethiopia

- VCA4D done between January and June 2020
- VC focus from soils/cotton production/farmers up to yarn production (textile)
- Modern vs domestic sub-VC



Disruptions in the VC and pathways

We assume that the VC is considerably affected by Covid-19

- Price drop for cotton (about 20%) for globalized products
- Factories have difficulties in selling (globalized markets)

Our further assumptions are:

- More poverty and more food insecurity for producers and textile workers
- Reduced confidence on the globalized VC
- Institutional paralysis

Traditional sector/VC and domestic markets	Modern or globalized VC and markets
Cotton and textile as daily products continue being purchased → relatively few disruptions, and then “only” temporal due to transport shut-downs	Buyers outside the country reduce demand → high vulnerability

Solutions undertaken and effectiveness

Not enough information available on this yet

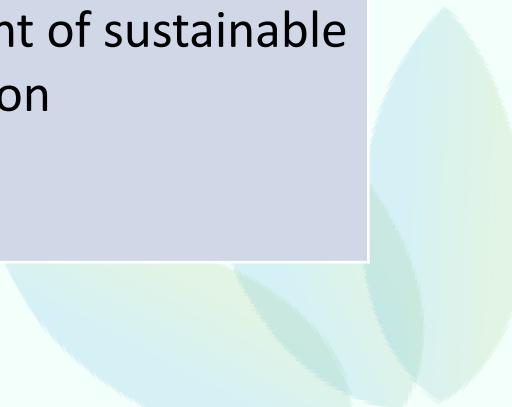
New challenge or new opportunity

Opportunity to shift the focus on quality products:

- more emphasis on domestic markets
- more investments in sustainable standards (organic, Fair trade), as these markets are less vulnerable
- investments in sector resilience
- further diversification of the cotton farms

Recommendations

For domestic markets/sub-VC	For international markets/ sub-VC
<ul style="list-style-type: none">- Increase its share- Invest more in support services towards resilience and productivity	<ul style="list-style-type: none">- Increase the amount of sustainable and quality production



Concluding remarks: lessons learned

Will the pandemic become an eye-opener and stimulate thoughts and dialogue on more resilient VC?

Thank you

