

Monthly Update – February 2009

# Agribusiness and Trade Expansion Program

“Increasing Rural Incomes and Employment”

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## NOTE FROM THE PROJECT DIRECTOR

This has been a busy month for USAID-ATEP, where staff members are arranging both outward technical tours for EHDA to Kenya in the horticultural sector as well as inward buyer visits in the coffee sector (see 3<sup>rd</sup> round coffee conference).

We also helped host field visits for Earl Gast, USAID AA Administration for the Africa Bureau, and Robert Rhodes, Division Chief, African Bureau. USAID-ATEP received encouraging feedback for our accomplishments in providing technical assistance and boosting investment and exports of new crops such as table grapes and strawberries.



*Steve Humphreys, Chief of Party,  
Ethiopia Agribusiness and Trade Expansion Program*

## HORTICULTURE

USAID-ATEP would like to congratulate the Ethiopian Horticulture Producers Exporters Association (EHPEA) on awarding certificates of compliance with the national code of practice. EHPEA launched the code in 2007 to set standards for the sector in relation to the implementation of Good Agricultural Practices (GAPs), Protection of the Environment, and the employment and welfare of farm workers. USAID-ATEP has been working closely with the EHPEA training team in helping to raise standards in the industry. In the future, the government via the Ethiopian Horticulture Development Agency (EHDA) will require all flower exporters to comply with the code.

**Study Tour:** USAID-ATEP sponsored a study tour for the newly established Ethiopian Horticulture Development Agency to Kenya, in partnership with USAID-ATEP’s sister program, the USAID-funded Kenyan Horticulture Development Program (KHDP) and Fresh Produce Exporters Association of Kenya (FPEAK). The benchmarking study focused on fruit, vegetables and flower exports and included four basic objectives:



Photos by Fintrac Inc.

**Fintrac Consultant Dr. Chris Bishop trains table grape exporters in postharvest handling.**



**Seedless table grapes (flame) at USAID-ATEP client farm Luna Fruits, Koka, are ready to pick for export to Europe and the Middle East.**

## USAID Agribusiness and Trade Expansion Program “Increasing Rural Incomes and Employment”

This project is implemented by Fintrac Inc., a US agribusiness consulting firm. Consortium members include Boot Coffee Consulting & Training, the Economic Competitiveness Group, Manchester Trade and the Rainforest Alliance. It covers four agricultural production sectors in four regions of Ethiopia. There is also a Trade and Investment activity on the program. For more information, contact USAID-ATEP at:

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1. Establishing benchmarking standards for the Ethiopian horticulture industry;
2. Identifying and setting up relations with the major players in the Kenyan horticulture industry;
3. Evaluating the strength of the sector;
4. Sharing the experiences of the Kenyan horticulture sector.

Stakeholders taking part in discussions were held with the National Task Force on Horticulture (NTH), KHDP, Kenyan Plant Health Inspectorate Service (KEPHIS) and Horticultural Crops Development Authority (HCDA). Visits were made to fruit and vegetable farms, including Indu Farms, exporting mainly French beans, fresh passion fruit and avocado, and they have plans to invest in Ethiopia; Green Lands Agro Producers, exporting fine beans, runner beans, snow peas, sugar snaps and baby corn, mainly to the UK market; and AAA Growers, producers of French beans, runner beans, baby corn, chilies and sweet peas, which exports more than 50 percent of its product to the UK and the remainder to other European markets. Flower farms, including Sher Karuturi, Valentine Growers and Kenya Cuttings, were also visited.



**The new Ethiopian Horticulture Development Agency (EHDA) visits Kenya during a benchmarking tour. Here EHDA director Haileselassie Tekie (2<sup>nd</sup> from left) talks to Kenya Cuttings General Manager, Oded Kunik.**

**Training and Technical Assistance:** USAID-ATEP consultant Dr. Chris Bishop, lecturer in postharvest management from Writtle College of UK, conducted a follow up visit with lead client farms Ilan Tot, Luna, Almota and Nuredin Farm this month. Postharvest training sessions were conducted on strawberries, with special focus on the importance of measuring and recording the temperature of fruits during harvesting and storage. An additional training session was conducted at Ilan Tot farm to strengthen awareness on the requirements of UK supermarkets in relation to quality, safety procedures and consistency of supply. Dr. Bishop will continue providing assistance in postharvest management, field guidelines on optimal handling systems, and new freight and logistics technology.

## COFFEE

**Rainforest Alliance activities:** RA Conducted two successive training events for project client Gemadro Coffee Plantation in SNNPR. The first was on preparation for annual auditing, followed by a second training on how to satisfy the market requirements of buyers of RA-certified products.

Following the requirements of the newly established Ethiopian Commodity Exchange (ECX), Rainforest Alliance is working specifically with coffee cooperative unions and large private plantations that export their coffee directly.

RA training will be provided for Oromia Coffee Farmers Union (OCFCU) Primary Cooperative member farmers in the month ahead. The training will focus on standards for sustainable agriculture and its application for coffee production. The topics of group certification and “chain of custody” will also be covered.

**3<sup>rd</sup> Roundtable Conference – “Harar Renaissance”:** USAID-ATEP, in collaboration with consortium partner Boot Coffee Consulting, carried out this activity in Harrar Region in the eastern part of Ethiopia. The region was known for producing an excellent, full-bodied coffee with an exotic, strong aroma. However, for the last decade, roasters around the world have been lamenting the disappearance of the ‘true’ Harrar flavor, represented by a unique combination of blueberry, chocolate and citrus. In response, the conference was largely focused on Harrar origin coffees.

Over 25 specialty buyers and roasters attended the conference that, besides serving as a platform for the exchange of ideas and discussions, also created opportunities for the Ethiopian Coffee Industry to establish new market linkages. In addition, new strategies for quality selection and marketing programs of Harrar coffee were developed to pave the way toward achieving sustainable production quality and quantity. Participants included members of the Ethiopian Coffee Industry, government officials, roasting companies and roasters from Europe, North America, Taiwan and South Korea. The conference was opened by the Mayor of Dire Dawa, the Honorable Adem Farah Ibrahim.

**Training:** Training on Q grading was conducted in collaboration with the Coffee Quality Institute (CQI) at Dire Dawa Coffee Cupping Unit, Harrar. More than 26 trainees from private companies and government institutions participated, including staff from the Central Liquoring Unit. The six day training included sensory skills, olfactory skills, matching pair testing and green coffee grading.

### HIDES, SKINS AND LEATHER

The 3<sup>rd</sup> and 4<sup>th</sup> rounds of Ectoparasite Control Campaign in Amhara region continue. In the project intervention area, Lalogera, more than 40,000 heads of sheep and goats have been treated. As part of the ectoparasite control initiative, an agreement has been reached on the basic principles of cooperation with Pittards Ltd. and Debre Birhan Research Center to run pre harvest pilot tests on the efficacy of diazinon as a treatment for ectoparasites in a controlled environment. Pittards will share the costs of the test expenses with USAID-ATEP, while the holding facilities and veterinary management of 1,200 sheep will be provided by the research center. The pilot test will establish the correct treatment procedures and effective results of the treatment not only for demonstrating to stakeholders, but also to document on film the appropriate steps for replication in the ongoing campaign that will continue for many years.

USAID-ATEP footwear manufacturing consultant Mr. Alan Sorofman provided hands on re-orientation for a number of factories selected by the Ministry of Trade and Industry (MoTI) to participate in a footwear export campaign aimed at the US market. Additional needs assessments of the factories were carried out and discussions held on the optimum methods of using existing capacities under the initiative. Further assistance was provided on the production of 24 different styles of footwear that are being presented to potential buyers in the US; a system of identification and tagging that avoids misrepresentation of samples was also created.

Following the decision made at the Cluster Working Group meeting (CWG VII), the Ethiopian Leather Industry Association (ELIA) formed a team of business leaders to champion the seven key activities of the strategic plan that lays down the modalities of taking over USAID-ATEP activities in the HSL sector at the end of the program. The seven key activities include:

- Raw material supply chain enhancements;
- Heighten industry awareness on environment protection;
- Scaling up marketing and production;
- Value chain integration and harmonization;
- Strengthening Business Development Services (BDS) and institutional capacity building.

### OILSEEDS AND PULSES

Discussions on USAID-ATEP activities in the oilseeds and pulses sector were held with Ato Yohannes Sefere, the newly appointed Marketing Department head of Ministry of Agriculture and Rural Development (MoARD). Discussions were mainly focused on our interventions in Tigray and Amhara to improve sesame production and quality, as well as the production of certified haricot bean seed. Other areas, including Business Development Services (BDS) and Integrated Pest Management (IPM), were also discussed. The sesame and Noug seed multiplication in Werer,



**Q grader candidates receive cupping training from CQI Volunteers in the CLU laboratory in Dire Dawa.**



**Two of the sample shoes Wren model (Upper Left) and Ringo model (Lower Left) produced by local footwear factories for the US market. USAID-ATEP has provided technical assistance for this initiative.**

Metema, Holeta and Humera, in partnership with the Ethiopian Institute of Agriculture (EIAR), Amhara Region Agricultural Research Institute (ARARI) and Tigray Agricultural Research Institute (TARI), were part of the briefing as well.

Regarding future activities, understanding has been reached on the need to reinforce the sector with the placement of additional extension agronomists in sesame and pulses growing areas of the country. Assistance will be provided to Farmers Cooperative Union members on Good Agricultural Practices (GAPs), BDS and IPM.

**Sesame:** Even though February is the off season for sesame growing areas, more than 15 farmers were provided technical assistance on cost of production and mono cropping in Maykadra, Adebay and Rawyan areas. In addition, assistance was given on crop rotation practices to maintain soil fertility and pest and disease control.



**USAID-ATEP Oilseeds Agronomist Yitbarek Liben speaks to clients about cost of production and mono cropping.**

### WAREHOUSE RECEIPTS SYSTEM

USAID-ATEP continued to assist the Ethiopian Commodity Exchange (ECX) throughout the month by:

- Assisting warehouse supervisors and inventory controllers of coffee at Saris ECX warehouses;
- Coordinating and facilitating proper weighing processes of loaded and unloaded trucks at Saris ECX warehouse;
- Supporting the quality and inventory controller to improve their efficiency while receiving and dispatching coffee for members;
- Provided training for 200 board members of farmer cooperators and unions on ECX quality standards and procedures for warehouse operations;
- Assisting the Business Operations Unit on the coordinating activities and daily operational reporting.

### TRADE AND INVESTMENT

Several new start-up commercial farms visited the team this month seeking advice on planning, organizing and financing. The Afar region is attracting several new large scale commercial farms, and the team has provided advice to several of these. A new group of investors led by an Ethiopian American, currently in the final stages of discussions with the Government of Ethiopia to acquire a majority stake in one of the Upper Awash commercial farms, also paid a visit to the team. After a lengthy discussion, agreement was reached for USAID-ATEP to provide technical support in the future for products in the firm's horticulture portfolio following the presentation of a written workplan.

### HEALTH

In February, the newly launched health sector developed performance measuring indicators and submitted its draft workplan to USAID. In addition, Asalif Demissie, Health Sector Manager, visited project lead clients namely Luna and Almeta Fruits and Vegetables farm in Koka area. During the visit, an assessment was made on HIV/AIDS Awareness and prevention needs at the farms.

Depending up on the timing of harvesting seasons, these farms have large labor force with age range of 20 – 50 years. Both have stressed the need for integration of an HIV/AIDS prevention program within their operations.

