

MONTHLY UPDATE – JUNE 2009

Agribusiness and Trade Expansion Program

“INCREASING RURAL INCOMES AND EMPLOYMENT”

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From the project director

Phase II of USAID-ATEP will emphasize trade association development and capacity building. All four program commodity sectors have partner trade associations including the Ethiopian Coffee Exporters Association (ECEA), the Ethiopian Leather Industry Association (ELIA), the Ethiopian Horticulture Producers and Exporters Association (EHPEA), and the Ethiopian Pulses, Oilseeds and Spices Processors and Exporters Association (EPOSPEA). During the last three years USAID-ATEP has collaborated with these important institutions to implement the program’s various activities.

The shift will focus on building capacity within the associations and increasing support for the delivery of member services. Both initiatives – improved capacity and service delivery – follow USAID-ATEP’s goal of improving sustainability of partner associations.

In addition, USAID-ATEP will work with the trade associations in structural modification dialogue with appropriate government agencies and will strive to improve the enabling environment in which agribusinesses can grow, prosper and better serve their membership.



Thomas H. Carr, Chief of Party,
Ethiopia Agribusiness and Trade Expansion Program



Photo by Fintrac/Petrose Kelbeso

Tomatoes grow at Awassa Greenwood’s farm in SNNPR.

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USAID Agribusiness and Trade Expansion Program

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 which are supported by business development and health programs. For more information, contact USAID-ATEP at:

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● PROGRAM HIGHLIGHTS

Horticulture

USAID-ATEP co-sponsored the first National Fruits and Vegetable Symposium and Exhibition held in Arbaminch from June 10 to 14 with the Bureau of Agriculture and Rural Development of SNNPR. USAID-ATEP showcased its fruit and vegetables development activities and handed out Amharic manuals on tomato and onion production and GLOBALGAP. More than 500 growers, fruit companies, cooperatives and representatives of nongovernmental and governmental institutions attended the event.

The event was concluded with a banana field day hosted by Gadco Enterprise, a USAID-ATEP lead client. Gadco has developed ten hectares of bananas. Its product is locally marketed through ETFRUIT, a government-owned fruit and vegetable marketing agency. USAID-ATEP has helped Gadco improve production, yields and quality with intensive technical assistance.

HSL

The third-round of the ectoparasite control campaign was completed this month with the treatment of more than 190,000 sheep and goats in Lalogera, Amhara. The next round is scheduled in October 2009.

As part of the footwear export market initiative, three US companies (Bakers, Harbor and Deer Stags) have made sample orders of 8,320 pairs of shoes worth \$96,000. Three companies in Addis Ababa, Ambessa, Peacock and Walia Shoe factories, have started production and will be ready to ship in July.

Coffee

USAID-ATEP has conducted a series of on-farm trainings and technical assistance on coffee production systems and sun-dried coffee preparation at lead client and beneficiary client farms in SNNPR. These activities are designed to increase coffee productivity and improve production intercropping activities.



Photo by Fintrac/Gebremichael Habte

USAID-ATEP co-sponsored the National Fruits and Vegetable Symposium and Exhibition in Arbaminch, SNNPR.

● QUESTIONS & ANSWERS

Ethiopia association building strength and exports in the Oilseeds and Pulses sector

The Ethiopian Pulses, Oilseeds and Spices Processors and Exporters Association (EPOSPEA) is a leading trade association in Ethiopia working with USAID-ATEP to strengthen the Oilseeds and Pulses sector. USAID-ATEP Communications Specialist Beamlak Tesfaye spoke with EPOSPEA President Dr. Mussie Yackob to get his take on where things are at today.

Q: When did EPOSPEA become operational?

A: EPOSPEA came into effect in 1998 with the individual initiative of some exporters. It was established to provide market information services and promote the common interests of its members. Currently, we have 79 members exporting more than 85 percent of the total volume of the oilseeds, pulses and spices in the country.

Q: What are the major tasks that EPOSPEA is engaged in?

A: I would like to recapitulate EPOSPEA's major engagements into three broad categories: provision of local and international market information and related data to members; advocacy of major policy issues through negotiation and discussion with policy makers and other governmental and nongovernmental bodies; and capacity building of exporters in vital areas in relation to logistics, global trade and promotion of their export products.

(See "Building strength" on page 3 ...)

● AT YOUR SERVICE

Abayneh Alemu was born in the Wollo province of Amhara in 1954. As a child, he covered a lot of ground, moving from Borena Saint to Dessie and then to Nekemt to complete his elementary and high school studies. After earning his diploma in general agriculture from Jimma Agricultural College, he joined the National Coffee Board of Ethiopia as an extension agent in Limu Woreda. He then left for Russia and earned his master's in agronomy at Moscow University.

Returning to Ethiopia, he joined the Coffee Plantation Corporation to head the agronomy division, administrating 20,000 hectares. Prior to joining the private sector, Abayneh became the deputy general manager of the Ethiopian Coffee and Tea Authority. He then joined a privately owned coffee plantation as development coordinator and export manager.

(See "At Your Service" on page 4 ...)



Photo by Fintrac/Beamlak Tesfaye

USAID-ATEP Coffee Sector Manager Abayneh Alemu.

Building strength (Continued from page 2 ...)

Q: What are you doing to provide local and international market information to your members?

A: Previously, EPOSPEA had a system that collected and disseminated local market information via information and data collectors. However, the data were inconsistent and unreliable. To address this issue, we are designing a new market information system that recognizes the central role of our members that are situated in major oilseed, pulses and spice producing and trading areas including Humera, Gondar, Metema, Nazreth and Addis Ababa.

To obtain international market information, we are trying to work with the Ministry of Foreign Affairs to utilize Ethiopian Embassies abroad as sources of market information. In the long run, we are planning to establish a market intelligence agency that will provide international market information of major commodities beyond our sector including coffee, flowers and fruit and vegetables.

Q: In addition to the points stated earlier, what are the policy issues that you would like to address?

A: EPOSPEA is trying to bring to the attention of policy makers issues related to banking and finance, bottlenecks within the government agencies, absence of intensive research to improve quality of seeds, and theft in the Ethio - Djibouti export corridor.

Q: What are the methods and tools used by EPOSPEA for policy advocacy and what results have you achieved to date?

A: The EPOSPEA bulletin, which is published with the financial support of USAID-ATEP, is our major policy advocacy tool. We have a wide distribution list including top government bodies such as the Prime Minister's Office, the Parliament, and the President's Office. In addition, we have regular discussion forums with ministries and agencies such as the Ethiopian Customs Authority, the Commercial Bank of Ethiopia, the Ministry of Agriculture and Rural Development (MoARD), and the Ministry of Foreign Affairs. These have helped us establish regular communications to reduce major challenges within our sector such as highway robbery and theft along the Ethio - Djibouti export corridor.

Q: What are the major reasons for the better export performance of the oilseeds and pulses sector in the past 11 months?

A: Within the past 11 months (July 2008 - May 2009), our sector has exported more than 390,000 metric tons of oilseeds and pulses valued more than \$400 million. Favorable weather conditions coupled with less production in major competing countries like India and China has helped us perform better and reach 90 percent of the export target set by the government.

Q: Finally, what kind of relation is EPOSPEA establishing with ECX?

A: EPOSPEA is optimistic that ECX will be a success with the concerted effort of all stakeholders and good leadership. We have held three forums with ECX to resolve the issues we had following the introduction of sesame into the system. In addition, EPOSPEA has established a technical committee and articulated modalities to work closely with ECX.

● PROGRAM SPOTLIGHT

Ethiopia introduced to high value floral variety: Gentiana

USAID-ATEP client Marginpar Ethiopia's farm is situated at an altitude of 2,500 meters and mainly grows Eryngium flowers on 18 hectares with world-class production techniques. The company exports stems by air to European markets through the Dutch auction system. In early 2008, Marginpar launched a pilot project to produce Gentiana flowers. Gentiana is a deep blue alpine flower that only grows at high altitudes.

The research and development pilot trial at Marginpar started with financial and technical assistance from USAID-ATEP. The assistance included a cost-sharing grant for the initial 3,200 tissue culture plants and plotting materials, and established the irrigation and fertigation system.

"The trial involves high-tech manipulative systems for flower production, which made it a complex and high risk project," said Arjan van Roessel, general manager of Marginpar. "The precise requirements for different temperature regimes to initiate Gentiana flowering have to be developed from scratch. Therefore, we asked USAID-ATEP for their assistance."

"The technical trial so far is quite a success, we have managed to get closer to the standard thickness and length, which is 50 centimeters per stem," said Genet G / Leul, who has been supervising the trial since its establishment. Each day she conducts follow up visits, and consults the production team to execute the next stage.

Following this initial research stage, where Gentiana flowering has been successful, the farm is planning to build a 2,500-square-meter greenhouse to start commercial production at the end of 2009. The market potential is at least 50,000 stems per week, which would require nearly six hectares of production. A full-scale Gentiana production unit is expected to create 25-30 jobs for each hectare.

Ethiopia is an attractive hub for agribusiness investment because of its natural resources and proximity to the major markets in the Middle East and Europe. The country has enjoyed rapid export growth in value and volume since 2005.

(Editor's note: The quotes were taken from an interview conducted while Arjan van Roessel was on duty as the General Manager of Marginpar Ethiopia Plc)



Photo by Fintrac/Ian Chesterman

Women sort flowers at Marginpar Ethiopia.

(Continued from page 3...)

Abayneh joined USAID-ATEP in 2006 as the coffee sector manager. The sector provides intensive training and technical assistance to 27 lead clients and 64,248 beneficiaries to improve coffee quality and yields and increase exports. The sector has trained more than 18,506 farmers, producers and processors in major coffee production regions Oromiya and SNNPR and preliminary studies are underway to identify appropriate intervention sites in the major coffee growing areas of Eastern Hararghe.

Abayneh has been married to W/ro Sirgut G/Sellasié for 27 years. He is the father of three children who are professionals in business and finance, information technology and computer sciences.