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MONTHLY UPDATE – JULY 2007

ETHIOPIA AGRIBUSINESS AND TRADE EXPANSION PROGRAM

“Increasing Rural Incomes and Employment”

NOTE FROM THE PROJECT DIRECTOR

Despite this being the winter season, the project has pushed forward with ambitious training and technical assistance programs in the field. Most farmers have received very little, if any crop husbandry training, and our efforts have been welcomed – from sesame producers in Humera on the far north western frontier with Sudan, to coffee growers on steep mountainsides in Sidamo, where some of Ethiopia’s best coffees originate. Current initiatives include a massive training campaign in post harvest practices for coffee producers being carried out in 78 Woredas in SNNPR and Sidamo in July and August.

We have also been busy working on improving industry strategies at the national level, such as coordinating the Leather Competitiveness Cluster on July 23rd, the Coffee Forum, and helping EHPEA in dealing with potential airfreight and cold storage constraints at Bole Airport.

USAID-ATEP is also working closely with the boards of the various producer associations for the sectors we cover to ensure consensus among stakeholders in promoting the right strategies for production and marketing. Client investment is evidenced by the cost sharing in partnership and technology funding agreements being implemented as well as other private investments, which to date are totaling over US\$ 1.3 million.

The project continues to try and attract further foreign direct investment at the same time developing future alliances, providing confidence to potential buyers as well as local banks involved in financing the export sector. We also continue to play an active role in donor coordination, so that together with the Ministries we can help the Government meet its economic growth goals.

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



Photos Courtesy of Fintrac

Ethiopian delegates on a technical visit to Libila farm in Kenya to learn about Integrated Pest Management (IPM) techniques with BDS partner The Real IPM.



Produce buyers from HAGE of the Netherlands visiting the green bean crop at Zi-Andeta Farms.

This project is implemented by Fintrac Inc., a US agribusiness 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 cross cutting Trade and Investment activity on the program. For more information on ATEP activities, please contact:

USAID Agribusiness and Trade Expansion Program

“Increasing Rural Incomes and Employment”

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HORTICULTURE

In July, wet and cold weather severely restricted cropping activity in the horticulture sector. Client activities were focused on preparing for the next planting season in September/October. It is encouraging to see ongoing investment by clients in improve production technologies and infrastructure. We will begin reporting more on these activities once preparations for the planting season begin in earnest in August.

The project organized a technical visit to The Real IPM in Kenya for the owners of Oda Flowers and Metrolux, as well as USAID-ATEP agronomist Sinishaw Belay. This should facilitate the initiation of new biocontrol methods for the Ethiopian floriculture industry that will help reduce the use of agrochemicals.

Eskinder Kebede, agronomist for the Eastern Corridor area, conducted an analysis for opportunities for a new smallholder-based initiatives in the Harerge, from where much of the regional fresh produce exports to Djibouti come. At the moment, production is focused on local market crops as well as low-value export crops by road and rail. The project plans to initiate several technical assistance pilot projects in the region for the coming planting season. These will be conducted in conjunction with counterparts in the Ministry of Agriculture extension service and with key NGO partners.

Crop production manuals for the major vegetable export crops have been disseminated to growers as part of a collaborative extension program with BDS partner Prime Seeds.

SPECIALTY COFFEE

USAID-ATEP organized the first Star Cupper Training for Ethiopia, which is a pre-requisite for the upcoming Coffee Quality Institute “Q” export certification-training program in September 2007. It is hoped that Ethiopian cuppers will be the first in Africa to obtain Q grade status. The training was conducted at the IPS lab in Addis Ababa by senior US coffee cuppers. 23 Ethiopian coffee cupper candidates attended the training.

Cupping training was also given at the USAID-ATEP established coffee cupping labs of Mizan, Teppi, Aleta Wondo, Wotona Boltoma, Yirgacheffee and Konga. Among the 19 trainees, five were from lead clients SMS and MOPLACO. The training was aimed at improving the capacity of the coffee cupping laboratories and also increasing the number of skilled coffee cuppers. This will encourage buyers to visit coffee growing areas and make quality assessments at the point of origin. It will also boost awareness of the large range of origin coffees available from Ethiopia, as well as helping to avoid unnecessary transport costs often incurred when actual quality does not meet specifications.



Photos Courtesy of Fintrac

Sweet potato harvesting in Harergh (above).

The project is developing a new program in this area that will work with smallholders on a vegetable production scheme. Produce grown in the area is consolidated in Harergh (below) and exported to third countries via Djibouti.



In July the 5th USAID-ATEP-led Coffee Industry Forum launched the **Millennium Coffee Quality Training Campaign**. This campaign will provide practical field training to coffee farmers from over 76 Woredas in time for this year's harvest. The training will focus specifically on correct harvesting techniques in order to improve the quality of red cherries supplied by farmers to millers. The training involves key players in the value chain, including the collectors (sebsabis) and the suppliers (akrabis).

Other donors, private sector exporters, MoARD, ECEA, Unions and BDS suppliers have all joined this effort. We will report on numbers of farmers trained in the next bulletin.

At the end of July, the project sponsored the Ethiopia Coffee Exporters Association (ECEA) Chairman and board member, as well as Miftah Sultan from SA Bagerish, current Ethiopian Barista Champion, to participate in The Specialty Coffee Association of Japan Conference in Tokyo beginning July 31st.

HIDES, SKINS AND LEATHER

This month, the HSL team continued negotiations with the Amhara regional government to undertake the third and fourth ectoparasite control campaigns.

For the construction of hides and skins collection centers in Addis Ababa, sites were selected and surveyed in six sub cities in collaboration with the sub city kebeles. Along with these activities the by-laws prepared by the Addis Ababa City Department of Agriculture were reviewed to accommodate this new development.

The project also held initial discussions with the Managing Director of REST to establish skin collection centers in Tigray regional state. An agreement was reached to submit a concept paper involving Dedebit Micro Finance to fund the investment and working capital for these centers.

A MoU was signed between the project, high-end fashion consortium TAYTU, and UNIDO. The project will support the institutional capacity of the TAYTU consortium of companies, which collectively, will market their goods under the high-end "Made in Ethiopia" brand. The project has also supported the set up of the TAYTU office and sales room on Bole Road in Addis Ababa.

International Fashion Designer Barbara Garducci and Marketing Expert Holly Hikido will help coordinate TAYTU's participation at two upcoming trade fairs " The Train" in New York City in September 2007, and " The Box" in Paris in October. The two fairs are expected to introduce the TAYTU Consortium to buyers in the US and European markets.

Assistance and training was given to the Department of Rural Development in SNNP region in southern Ethiopia, on accessing working capital for Wonago Cooperative. Despite difficulties in accessing finance, the cooperative is ready to supply 150,000 pieces of hides and skins per annum as a new source of raw material for Ethiopia's tanneries.

OILSEEDS AND PULSES

In the Oil Seeds and Pulses sector, work continued with partners and clients in sesame seed and haricot beans seed multiplication. On-farm training was carried out by the project agronomist in Tigray on increasing production and improving quality. The project is also working our details for collaborating with Melkassa Agricultural Research Center (MARC) in producing basic haricot bean



Photos Courtesy of Fintrac

Training sesame farmers on weed control in Humera region.



MOARD delegates meeting with representatives of South Africa's Council for Scientific and Industrial Research to review agricultural Grades and Standards systems.

seed, including top performing varieties Awash Melka, Awash 1, Aregne and Red Kidney Bean.

The project conducted on-farm trainings for 76 sesame farmers at Adebay and Maikadra, Humera, in the far north west of the country. These trainings focused on seed selection, frequency of cultivation, weeding, advantages of crop rotation, and management pests and diseases.

The project also carried out field visits to Munira Business Group Farm in the area of Mekele, capital city in Tigray. This farm is working on fresh horticultural produce as well as pulse crops with export potential.

The project's Warehouse Receipts Specialist arranged a study tour to Kenya and South Africa from June 30 to July 15 for MoARD and other Government officials. This tour was held to observe from the experienced institutions ways of establishing, implementing, and checking, systems of grades and standards for agricultural products. Such systems, once implemented, will help boost the export drive in Ethiopia.

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The mission was comprised of eight participants from different organizations: MoARD, Oil Seeds and Pulses Exporters Association, Quality and Standards Authority of Ethiopia, Phytosanitary Inspectorate, and EHPEA. Delegates had an opportunity to visit different government institutions, private companies and export associations involved in the standardization and development of grades and standards in the two countries.

TRADE AND INVESTMENT

In the horticulture sector, the business plan of DFT, which is engaged in the production of corrugated carton boxes for the packaging of horticulture products destined for export market, was submitted to Dashen Bank as part of the loan application that amounts to US \$640,000. Comments were received from Dashen Bank and were incorporated in to the final version of the business plan. It is expected that the bank loan could be approved in August. In addition, a new equity partnership among Ethiopian Diaspora is being explored through the *DIASPORA INVESTMENT INITIATIVE*.

In the coffee sector, USAID ATEP gave support to several coffee washing stations in coffee growing areas to get operating finance. Our lead client Amaro Gayo has obtained advance orders from specialty coffee buyers in Japan and US.

In the oilseeds and pulses sector, the business plan of AI-Impex for the establishment of a cleaning facility in Humera, Tigray region, which has a capacity of cleaning 12,000 tons per year. The business plan was submitted to Dashen Bank for comment. The total loan requested, which is expected to be approved in September, amounts to US\$510,000. This activity will increase the company's sesame cleaning and processing capacity, enabling it to source additional volumes from sesame producers in Humera.

The project has planned to conduct training on warehouse receipts for private banks in Ethiopia after conducting discussions with Ethiopian Commodity Exchange (E-CEX).