



Monthly update – January 2008

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

NOTE FROM THE PROJECT DIRECTOR

This month we have been particularly busy in the leather sector, working closely with the All African Leather Fair (AALF), which resulted in considerable new business for our HSL sector. Following AALF, we participated in private public sector dialogue with Ethiopian Prime Minister Meles Zenawi who restated the government’s commitment to back leather exports.

Now that the coffee harvest is in, we are concentrating on quality and traceability issues to make sure we capture as large a slice of the specialty market as possible. The training by CQI of a second group of Q-grade cuppers at CLU will go a long way toward helping us achieve this objective. By building capacity in this government facility, we should be able to disseminate taste characteristics quickly back to the exporters so that they can negotiate higher prices with their buyers.

On a sad note we regret to announce the passing of one of our lead clients, Yani P. Georgalis of Moplaco, a much loved and respected coffee exporter.

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

HORTICULTURE

USAID-ATEP provided trainings on basic hygiene and sanitation, food safety and quality management, BRC system and an internal audit to lead client Jordan Herbs Plc. In addition, training on GLOBALGAP was given for members of top management. Nearly 240 employees participated in the trainings.

The draft document “HACCP plan for fresh and frozen strawberry product from farm to packing house” for Ilan Tot Strawberry Farm was prepared by QITC and worked on by USAID-ATEP. The document aims at assessing, identifying, controlling and minimizing food safety hazards through prevention protocols at critical points. The farm is currently the only Ethiopian strawberry supplier to European and Middle Eastern countries.

USAID-ATEP lead client Almeta Farm started introducing strawberries to the European market to expand its market. The farm exports to Dubai market twice a week through a market linkage developed by USAID-ATEP. We have also provided technical



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USAID-ATEP’s HSL Sector Manager Teshome Kebede, right, shows US Ambassador Donald Yamamoto, center, and Deputy USAID Mission Director Kevin Rushing the quality products at the program’s booth during AALF 2008.



Yamamoto, center, and Rushing chat with Ethiopian Prime Minister Meles Zenawi at the USAID-ATEP booth.

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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assistance to the farm to introduce strawberry jam as a new product.

We are providing assistance to new lead client Greenstar Food Processing Company. The support focuses on securing an improved supply of raw materials from contracted growers through processing crop trials, seed supplies for commercial tomato contracts and agronomic and extension service. The processing company is linked to four beneficiary commercial tomato farms.

Vegetable trials and field days continue at Melkassa Agricultural Research (MARC). We arranged production of hybrid tomatoes, onions, and cabbage for trials to be conducted at Florensis Farm and Genesis Farm. Other trial sites will be established with private farms in nine geographic areas.

SPECIALTY COFFEE

Technical support was provided this month to 13 wet mills and natural sun-dried operations for lead clients (IPS pioneer, Wotona Bultoma, Konga, DTC, SMS, SA Bagersh, Amaro Gayo, Moplaco and Genet Lemma). Training on coffee pruning and processing was also conducted. The training on coffee pruning was provided to 57 IPS pioneer coffee wet mill beneficiary farmers. The coffee processing training was aimed at improving coffee quality before transport to the central market. Final sorting and bagging procedures and moisture checking principles were major topics of the training.

We have linked with Pathfinder International, an NGO specializing in health programs, to provide HIV/AIDS awareness and prevention training for our clients. We started this month at client S.A. Bagersh, Billoya wet mill station. Participating were 191 daily laborers, red cherry suppliers and beneficiary farmers.

Agronomy field work continued on client and non-lead client farms (Limu Kosa Farm, Bonga area Farms, Kefa Forest Coffee Union, Tepi Coffee Farmers Union and Bench – Maji coffee farmers union). The impact of the Millennium Quality Coffee Training was assessed around Bench – Maji, Tepi and Illubabor areas. Results show that it improved efficiency in harvesting, drying and processing of quality coffee. We will publish results in a separate "Success Story."

Field visits were carried out in Mizan, Bonga and Teppi. During these visits discussions were held with the Zonal Agricultural Bureau, Bench – Maji and Tepi coffee unions on running and maintaining mini cupping laboratory stations.

At the end of January, we started Q-grader training for 16 cuppers from Addis Ababa Coffee Liquoring Unit (CLU), Dire Dawa CLU, Oromiya and SNNPR Agricultural Bureaus. The training will strengthen the emerging specialty coffee sector in Ethiopia and will continue through the first week of February.

HIDES, SKINS AND LEATHER

The third round of the ectoparasite control campaign continued throughout January in two woredas of the Amhara region, Menz Mama and Menz Gera. During the first week of January, nearly 700 animals were treated. Agreement was reached to start treatment as soon as possible in the other woredas (Keya Gebriel and Gera Midir).



Photos by Fintrac Inc.

Zi-Andeta Farm Operations Manager Ato Abdela Shafi, left, and USAID-ATEP's Oilseeds and Pulses sector manager Ato Teka Redda on the farm in Ziway



The second batch of Q-grade cuppers to be trained by partners CQI at the CLU. Certificates were presented by CQI President Ted Lingle.

The training of Community Animal Health Workers with funds provided by FAO continued, and is expected to be finalized in two weeks. The veterinary trainers were selected by USAID-ATEP Animal Health Coordinator, Dr. Kassa Bayou.

USAID-ATEP participated in the All African Leather Fair (AALF) 2008 at the end of the month held at the new Millennium Conference Hall. In addition to demonstrating project activities, we sponsored four regions to showcase their HSL potential and improvements achieved so far by working with USAID-ATEP. Our stand was visited by the Prime Minister Zenawi and senior ministers. US Ambassador Donald Yamamoto, and Deputy USAID Mission Director Kevin Rushing also in attended. Nearly 174 international and local companies participated in the trade fair. The stands were visited by 525 international and 2,400 domestic buyers. Of the 25 tanners that exhibited their products, 21 secured new orders.

We presented a progress report on the project's cluster activities at the Pan African competitiveness Forum (PACF), which was organized as a side event of AALF. The Fintrac cluster activity was unanimously highlighted as a role model for Africa's innovation and cluster-based competitiveness initiatives. The project is to be showcased in April at the launching conference of the PACF in Addis Ababa. It is expected to attract global media coverage.

USAID-ATEP continued supporting the incorporation of Pittards Global Sourcing, which obtained its legal entity as a joint venture between Pittards and a local leather goods company, Ethiopian Tannery. The local partner is expected to produce nearly 2,000 leather jackets with an export value of \$150,000 for Pittards Global. It will have an annual production capacity of 40,000 jackets, 40,000 leather goods, and 100,000 gloves.

At the end of January, the project conducted the 5th Cluster Working Group (CWG V) meeting with the presence of 25 cluster member from the private sector and government offices. Three new cluster initiatives were added to the existing eight.

OILSEEDS AND PULSES

International sesame prices are getting higher, the Humera and Gonder type is fetching \$1,630 per metric ton and Wollega type is \$1,521 per metric ton. Niger seed is \$869 per metric ton and White pea beans are \$435 per metric ton. The high prices for oilseeds and pulses are encouraging some traders to hold onto stock in anticipation of them rising further and there is quite a lot of speculation going on. This, however, is encouraging farmers to increase plantings of sesame and niger seed, which means there could be a good harvest next season.

Field visits were carried out to lead clients in Addis Ababa, Adama and Ziway. Lead client Zi – Andeta has planted white haricot beans (variety Awash 1) on 12.6 hectares and is preparing to plant an additional 5 hectares as certified seed in Dodocha on their Mareko farm. The source of the certified seed is Melkassa Agricultural Center (MARC), where we have provided cost-share funding for seed multiplication. The farm is additionally growing 70 hectares for the export market.

In the northwest of the country, we are hoping to provide training to development agents (DAs) and model farmers in Kafta Humera, Sheraro and Welkayit. At the end of the training, we should have trained more than 2,150 farmers. Our agronomist, Yitbarek Liben, has been providing training of trainers to two experts, 25 development agents, and eight model farmers. We have been in discussions with the Gates Foundation Program to work with them on pulses in the Rift Valley and Harerge areas. The foundation will be working on six crops in 10 African countries including Ethiopia.

We met with Ato Elias Geneti, the chairman of Ethiopian Oilseeds and Pulses Exporter Association (EPOSPEA) to review our assistance to the association last year and make plans for the next 12 months. The association needs considerable support on capacity building, especially in human resources, where they would like to employ three full-time employees.



Photo by Fintrac Inc.

The 2008 collection of Taytu bags are now being produced for leather trade fairs in New York and Los Angeles.

TRADE AND INVESTMENT

We continued providing business plan support to new clients. Neisha Plc is a company producing corn/soy food with initial capital of \$1,000,000. The company established a joint venture with a US company. The products will be distributed through an NGO from the UK. The establishment of this company is significant in terms of import substitution. In addition, we are supporting a new client, Khalid Duri, in new business project development. The project comprises a 250-hectare potato seed farm supplying to 7,000 smallholder farmers on 2,500 hectares who supply back to a warehouse with ventilated storage. When the project starts operations, 50,000 tons of potatoes will be exported annually to Middle Eastern markets.

Discussions were held with CRS and The Sustainability Institute to establish a partnership in Hararge to connect smallholder farmers to the international market through innovative systems. In addition, a plan to set up an industry cluster in Gonder for the sesame sector is being developed. Details will be submitted to USAID in February.

Further discussions were held with Sunrise and Yalkone Flowers to refine their business plans. Subsequently, Yalkone has re-submitted its business plan to the bank. The team continued to work with DAG to develop the trade and investment indicators of Plan for Accelerated and Sustained Development to end Poverty (PASDEP).

Also, a presentation at the US Embassy highlighted private sector success stories.

WAREHOUSE RECEIPTS SYSTEMS (WHRS)

USAID-ATEP assistance to the Ethiopian Commodity Exchange (ECX) continued throughout January.

The technical support includes:

- Developed training materials on receiving and grading procedures for four types of commodities, 11 classes, 25 grades, and inventory management.
- Provided training for membership to sales force team and trading/intermediary members of ECX.
- Translated the contract specifications document into Amharic and distributed to participants.
- Identified the required warehouse staff for six positions including warehouse manager, quality control specialist, and storekeeper. Prepared job description for recruitment.
- Prepared draft training budget.
- Participated in meetings with warehouse staff and contributed technical suggestions on the continuous review of documents.



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