

Monthly update – August 2008

# Agribusiness and Trade Expansion Program

“Increasing Rural Incomes and Employment”

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## NOTE FROM THE PROJECT DIRECTOR

In anticipation of further additional funding to USAID-ATEP, we have been busy planning future activities with Ethiopian Commodity Exchange (ECX), Coffee Quality Institute (CQI) and the health sector through USAID’s PEPFAR program. Once this is confirmed we can rapidly widen the scope of the project, and extend help to even more farmers.

The rainy season continues, making it difficult to travel in some project areas because of bad roads. Despite this, we have been able to provide both agronomic and business training to a large number of oilseeds clients in the northeast of the country.

In the middle of August, USAID started its mid-term review process on USAID-ATEP, which is expected to continue into September.

A positive outcome will confirm the two year extension of the project through April 2011, enabling the program to continue and improve on the important work we have already done in our four production sectors.

Next month, it will be 2001 according to the Ethiopian calendar. We look forward to USAID-ATEP continuing to improve rural incomes and employment into the new millennium.



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

## HORTICULTURE

**Table Grapes:** USAID-ATEP and the Centre for the Promotion of Imports from developing countries (CBI) sponsored and facilitated a market study tour to the Netherlands for Ethiopian table grape growers Almeta Farm and Luna Fruits. The farms, located in the Awash basin of the Rift Valley started operations in 2006 and their first harvests are expected in November.

The tour was aimed at exploring the opportunities for Ethiopian grapes in the Dutch market, and establishing linkages with different marketing companies.



Photos by Fintrac Inc.

**Dutch Coffee buyers visit Homeland Coffee, a USAID-ATEP lead client in SNNPR.**

## 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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Major companies visited include Van Rijn BV, which specializes in wholesale, imports and exports of agricultural and horticultural products; The Greenery/Hage International, a market-oriented sales company supplying vegetables and fruit to supermarket chains in Europe, North America and the Far East; and Daily Fresh Domestic Logistics, which provides producers, exporters, traders and retailers with a complete logistical concept and has hubs in Maasdijk, Venlo and Dunkirk to secure produce from all over Europe, creating short links and supply chain visibility.

In addition, the growers held discussions with the Dutch Ministry of Agriculture, Nature and Food Quality. They presented their development of table grape production in Ethiopia as a market opportunity for Europe. The first grape export trial shipments to the European market are expected this November.

## SPECIALTY COFFEE

**Training and Technical Assistance:** A series of field visits and technical assistance trainings for client farms. Training covered coffee production and processing, focusing on compost application, sucker control and regulation operations on stumped coffee as well as weed management practices.

Agronomic advice was also given to Guraferda District Coffee Farm, Sheko District Coffee Farm and Gemadro Coffee Plantation. The farms are being well managed and better crop is expected for this season in quantity and quality compared to last year.

**Field visits of Mid Term Evaluators of USAID- ATEP:** External evaluators of the project visited project clients including coffee farms, processing sites, cupping labs and demonstration sites in SNNPR and Oromia regions. The evaluators conducted discussions with farm owners, managers, cuppers and farm workers.

## HIDES, SKINS AND LEATHER

Following the study conducted on the Ethiopian footwear industry with a view to getting into the US market, a two-person team of Richard Siegel and David Tufts evaluated the production capacity of footwear companies following a request from the Ministry of Trade and Industry (MOTI). Discussions were held with stakeholders in the value chain ranging from tanners to Ministry departments. The evaluation ended up with the drafting of a plan of action for the next six months that assigned duties and responsibilities for MOTI, members



**A Vestland Grapes representative demonstrates their greenhouse production system to USAID-ATEP lead clients Mesfin Teshome of Almeta Farm and Tesfalidet Hagos of Luna Fruits at Vestland's facility in the Netherlands.**



**Evaluators visit Homeland Coffee, a program lead client.**



**USAID-ATEP is working in the HSL sector to improve traditional curing methods, such as the ones seen here.**



**USAID-ATEP's Ian Sherry works with the program's oilseeds and pulses farmers in Dansha to improve their businesses.**

of the industry, USAID-ATEP and other stakeholders. During the coming 6 months, trial export orders are expected to be secured for the US market that will determine the long-term feasibility of supplying the US with footwear exports.

The upgrading of Sululta Abattoir under the technology fund was completed. In addition to increasing the quality of hides and skins, the plant's capacity has been doubled, creating employment opportunities for an additional 12 workers. The preparation of a technology fund to upgrade Burayou Abattoir was also finalized and submitted for approval.

Also in August, Taytu marketing expert Holly Hikido, along with the group's production expert and designer, continued supervising the preparation of the new collection to launch at the upcoming D&A trade show in New York in September. USAID-ATEP is sponsoring the participation of Taytu at this event, and increased export orders are expected.

HSL sector manager, Teshome Kebede, participated in the Pan African Competitiveness Forum (PACF) council meeting in Maputo at the end of August. USAID-ATEP's activities to create a vibrant leather sector competitiveness cluster in Ethiopia has had high visibility, highlighted in the presentation of Ato Teshome showing how stakeholders can work together, as a strategic tool to innovation and competitiveness. His election as the Vice Chair to the Council of the PACF was an added recognition of and visibility to, the activities of the project at a Pan-African level.

## **OILSEEDS AND PULSES**

**Pulses:** Lead client Zi-Andeta Farm is producing two varieties of certified haricot bean seed (Mareko and Awash 1) on 40 ha of land. Zi-Andeta received this basic seed from Melkassa Research Center (MARC) through USAID-ATEP's assistance. The seed will be distributed on credit sales to unions and smallholder farmers in SNNPR through the Bureau of Agriculture and Rural Development of the region.

Continuous discussions have been held with Mr. Timothy K. Durgan, Director of TNM Investment Ltd from Zambia. The company is interested in working with outgrowers to produce new varieties of haricot beans in Ethiopia. USAID-ATEP facilitated and established contact between the company and MARC to work on new seed trials. Accordingly, the company provided different varieties of haricot seed beans (including small white kidney, small red "C", small red "D" and small red "E") to MARC, which will be distributed to smallholder farmers for export production at a latter stage.

**Training and Technical Assistance:** Training was carried out in Humera and Dansha woredas on the handling of sprayers, chemical usage and safety precautions by consultant Dr. Geremew Terefe and USAID-ATEP's Yitbarek Liben, oilseeds agronomist. In addition, training on strategic planning and practical guides to growth and profitability was given by Ian Sherry and Teka Redda. There were 156 trainees from Dansha and Humera farmer's cooperative unions'; primary coops chair persons, smallholder farmers, and other agricultural experts present. Training manuals in support of each training topic were distributed in Amharic and Tigrigna.

In addition, on farm technical assistance was given to lead client Hayelom Haileegez for bacterial blight on his sesame crop. Since the disease is transmitted through seeds, it was advised not to use any seed from his farmland for the upcoming crop season.

## WAREHOUSE RECEIPTS SYSTEM

Launching operations in April 2008, the Ethiopian Commodity Exchange (ECX) has received a total of 13,570 qts of grains and issued 13,067qts through its newly established trading system. The type and quantity of grain received and sold in the past four and half months is summarized in the following table:

TYPE	QUANTITY
Processed white pea beans grade 1	4,918 qts
White maize grade 1	7,142 qts
Unprocessed white pea beans grade 1	708qts
Soft wheat grade 1	251qts
Soft wheat grade 3	551qts

USAID-ATEP continues providing technical assistance through its Warehouse Receipts Specialist, Etagegn Geremew. Specific activities in August were:

- Assisting the warehouse team to organize and merge the coffee auction into the system of ECX.
- Preparing, reviewing and finalizing the warehouse operation action plan for budget year 2008/2009 to include coffee in the ECX trading system.
- Drafting training materials and translating ECX grades

and grading procedures into Amharic for prospective clients of ECX, including extension agents and farmer cooperatives and unions.

## TRADE AND INVESTMENT

USAID-ATEP continued to support investors in the sesame, coffee and horticulture sectors. Worldwide Food Source from the USA and Hewons have won a contract for the supply of more than 100 containers of sesame into the Middle East valued at more than \$4 million. The project is assisting with cash flow calculations and loan applications from United Bank.

Clients in the coffee and horticulture sectors have also been receiving advise at a time when credit remains difficult to obtain.

Working closely with the Oilseeds and Pulses Team, USAID-ATEP continued to support unions, cooperatives and farmers in the sesame sector. These organizations are being trained in private sector ideas, techniques and tools aimed at increasing their turnover and profits and service to their members.

Work also continued with the Women's Entrepreneurs Group. Ten companies are being assisted with development of Strategic Plans.



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