



**USAID**  
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**MONTHLY UPDATE –April 2007**  
**ETHIOPIA AGRIBUSINESS AND TRADE EXPANSION PROGRAM**  
*“Increasing Rural Incomes and Employment”*

**NOTE FROM THE PROJECT DIRECTOR**

This month the project celebrates its twelfth month in Ethiopia and looking back on each of the five sectors in which we operate, we can confidently say that much has been achieved.

As we head for the new millennium in September in the Ethiopian calendar, we have made good inroads in introducing new technologies and market linkages into each of our targeted agribusiness sector areas.

At the national policy level, we have also been able to get industries working together closely to tackle major issues, as evidenced by our success in Hides, Skins and Leather clustering and the coffee stakeholders forum. Working closely with the Ethiopian Government and the private agribusiness companies, we look forward to supporting our clients and meeting our targets in year two.

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



*Packing of snow peas at Omega Farms*



*Photos Courtesy of Fintrac*

*Primrose trials at Chancho Flowers*

*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 industry sectors in four regions of Ethiopia. For more information on ATEP activities, please contact:*

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

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*Siet Agro, Holetta, harvested delphinium in a cold room*



*Gololcha Coffee Cupping laboratory in Arsi Zone*

## HORTICULTURE

In April, the project followed up on several potential investment initiatives resulting from last month's Hortiflora Exhibition. Discussions were facilitated between potential client investors and local government representatives concerning the availability of land from privatization authorities.

The monitoring of Client-based investments and expansion plans along with continued interest from markets in the EU and the Middle East indicate growing momentum for vegetable exports. Recent developments include:

- Kibbutz Ethiopia, based in the upper Awash area, has constructed field latrines and an agrochemical shed as part of its EUREPGAP program. The group will undertake August export plantings of chillies, beans and baby corn.
- Siet Agro, growing Delphinium flowers near Holetta, west of Addis Ababa, is planning to

double the existing trial site following the successful sales of 60,000 stems with sales value of Euro 8,000 from its pilot program.

- Zi-Andeta has invested in new vegetable farming in Ziway, and is currently undertaking land-clearing and geo-physical surveys for borehole installation.
- South Africa's leading avocado company, Westfalia, completed a detailed feasibility study for a potential pilot project in western Ethiopia.
- The project has funded the procurement and installation of drip irrigation equipment at Teppo Farm in Meki. The group will focus on opportunities for specialty salads in conjunction with Prins Vegetables for export to the Middle East market.
- The first shipments of mangetout and sugar snap peas to UK customers from the high altitude trial site at Chancho were completed. The clients involved in these trials are receiving logistical support from Florensis, a leading supplier of specialty floral cuttings to Holland.

In addition, the first draft of the Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP), which was circulated to key stakeholders for technical comments and analysis, was finalized. The project anticipates releasing the final version to a wide audience of growers, regulatory organizations and supply companies to be used as a practical benchmark for safe agrochemical management.

## SPECIALTY COFFEE

This month, the preparation of a Technology Fund to cover the cost of Organic Coffee Certification for lead clients Amaro Gayo, D.T.C., Gololcha Sole (IPS) and Chiree Sidamo (IPS) was finalized. A total of 3,747 coffee farmers will benefit from the BCS Organic Coffee Certification at a cost of US\$10,696.

The coffee sector also conducted the third coffee stakeholders meeting on April 24<sup>th</sup>, 2007. With 40 participants in attendance, the meeting was aimed at focusing stakeholders on efforts to enhance the competitiveness of Ethiopian coffee and identify potential areas for the further development of the sectors. USAID-ATEP also provided support to the Ethiopian Coffee Exporters' Association to participate at the 19<sup>th</sup> annual conference and exhibition of the Specialty Coffee Association of America, May 4–7, in Long Beach, California.

Field visits were conducted to client farms in order to collect baseline data and assist in the preparation of coffee demonstration plots. Data was collected from most of the clients, and farmers were briefed on farm record-keeping.

Training on Coffee Agronomy was provided to sixteen (16) trainees at Gemadro Coffee Plantation near Teppi in Western Ethiopia. The USAID ATEP Coffee Production Manual was distributed to large-scale farmers, unions and other stakeholders.

Training on compost application and pruning practices was also given to farmers at one of the D.T.C. beneficiary demonstration plots.

Two meetings were held in Yirgacheffe district to provide information on the principles and importance of quality in support of the project's cupping laboratories. The meetings were held for cooperative farmers and representatives of the regional office of Agriculture and Rural Development. In addition, follow up and monitoring of the cupping laboratories was carried out at Konga cooperative in Yirgacheffe and Wotona Bultma cooperative in Aleta Wondo district.

## HIDES, SKINS AND LEATHER

The project successfully negotiated a buyer / supplier linkage between the Ethiopian Leather Industry Association (ELIA) members and six farmer cooperatives in Wonago and Dilla woredas in SNNPR. The deal, which was reported in the electronic and print media, involves the supply of 60,000 pieces of hides and 84,000 pieces of skins per annum to the industry. The project will undertake consecutive trainings on harvesting hides and skins with the farmers and flayers in the area to support the agreement.

An additional US\$29,000 was collected from ELIA members who have committed a total of US\$42,000 to purchase equipment for the Lalogera ectoparasite control campaign. In addition, four deep freezers had been purchased for the Lalogera project with funding from the USAID-sponsored Goat and Productivity Improvement Program (ESGPIP) in the amount of US\$2,200. The equipment was delivered to the animal health office in the woreda.

Sample skins were purchased from Lalogera and submitted to Pittards for processing to learn the pre-treatment level of ectoparasite damage to skins. Baseline results were thus obtained from Pittards regarding ectoparasite damage. The HSL team also obtained approval for two further Technology Fund Awards for infrastructure improvements in collection and processing, amounting to US\$34,286.

The HSL sector held the 4<sup>th</sup> Ethiopian Leather Sector Competitiveness Cluster Working Group meeting on April 26th. Participants included government and industry leaders, donor representatives, and other stakeholders. The Working Group identified a number of additional action initiatives. Visitors from the Pan-African Conference of competitiveness (PACF) and The Competitiveness Institute (TCI) rated the Ethiopian Leather Sector Competitiveness Cluster Initiative as the fastest growing within the Horn of Africa Region.



*The Fourth HSL Cluster Working Group in Session*



*Photo courtesy of Fintrac*

*Dr. George Gray, Mr. Teka, Mr. Yitbarek and Mr. Abdela (ZI-ANDETA Agronomist) visiting the Dry Bean Trial at ZI-ANDETA Farm, Ziway.*

## OILSEEDS AND PULSES

In the Oil Seeds and Pulses sector, a workshop was held in Nazareth from April 11-12, 2007 aimed at improving Haricot bean production among smallholder farmers, primary cooperatives, Farmers Cooperative Unions (FCU), development agents and other stakeholders in Eastern and Western Harerghe. The main topics included production quality and the development of market linkages with potential buyers and exporters.

The workshop was accompanied by a field visit at client ACOS's pulses cleaning facility. During the visit, samples and results were shown to the participants and discussions were held on how to improve the quality of Haricot beans for the international market.

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An agreement was also reached with the Harerghe participants to develop a business plan and assist them with upgrading quality through better agronomic practices.

In addition, the project organized a half-day workshop on April 16<sup>th</sup> to assist the Ethiopian Pulses, Oil Seeds and Spices Processors and Exporters Association (EPOSPEA) to promote the sector and attract new members.

A field visit was carried out with oilseeds specialist Dr. George Gray to client ZI-ANDETA's new demonstration plots, which are under preparation for rain fed and drip irrigation production. Additional visits were made to FAFA Food Factory and Health Care Food Manufacturing PLC, both prospective clients in the soya industry.

## TRADE AND INVESTMENT

The Trade and Investment team was hosted at a luncheon organized by the Ethiopian American Business Association (EABA) on April 26<sup>th</sup>. The luncheon was aimed at exploring agribusiness opportunities in Ethiopia for potential investors. The team made a presentation on opportunities in the USAID ATEP targeted sectors.

In the horticulture sector, feasibility studies for two potential clients have been reviewed and their farms will be visited in the near future to finalize these. One of the potential clients, Daniel Hailu Agriculture Enterprise, is establishing 300 hectares to plant mangoes, papayas and avocados in Eastern Wollega, Oromia Region. The other potential client, Ato Abiye Astatke, owns 20 hectares of demonstration site in Debre Birhan, Amhara Region, which will be used for the production of high value temperate tree crops (apples, pulses, plums and almonds) together with livestock and apiculture. In addition, the feasibility study of D.F.T packaging PLC has been finalized and the loan application for US\$766,000 (ETB 7.0 million) was submitted to Dashen Bank.

In the coffee sector, the project carried out a field visit to Gollolcha Woreda in Arsi Zone along with coffee experts from Gollolcha Sole plc. The group is seeking to establish market linkages with farmers in the area. During the field visit, discussions were held with Woreda Administrators, coffee experts at Woreda level and coffee farmers' representatives to establish structures that will ensure greater profitability by improving coffee quality and production volumes. The discussions were also centered on the possibility of establishing a farmer-owned share company. In addition, coffee client D.T.C. approached the project for assistance in the preparation of a strategic business plan that will be used to apply for investment and operating capital.

The first draft of the *Assessment of the legal regime governing coffee in Ethiopia* was finalized. It identified key policy issues having a negative impact on the development of the coffee industry. The findings will be discussed with the coffee industry and other legal experts before submission to USAID and the government officials.