



Monthly Update – December 2007

Agribusiness and Trade Expansion Program

“Increasing Rural Incomes and Employment”

NOTE FROM THE PROJECT DIRECTOR

The month got off to a good start with the successful graduation of Ethiopia’s first group of Q grade coffee cuppers. Having these skills locally is essential for the continuing development of the specialty coffee sector, and not surprisingly the pass rate was 100 percent. According to CQI President Ted Lingle who examined the candidates and presented the certificates “Ethiopians are natural cuppers.”

Good progress continues on exports on all sectors, with most of our lead clients putting in substantial investments themselves to grow private sector development. Presently we are seeing a return of \$4 of client investment for every \$1 of project funding.

It looks good for our potential foreign direct investors when they see this confidence in the agribusiness sector from local entrepreneurs.

Just before Christmas (Ethiopian Calendar) we celebrated another successful year on the project with the annual Fintrac party at my home. It was a great opportunity to get together with all our families, as well as colleagues from USAID, and enjoy the best of Ethiopia’s wonderful cuisine and dancing from the different regions.

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

HORTICULTURE

Both the regional office of USAID in Nairobi and the United States Department of Agriculture (USDA) conducted significant activities in Ethiopia during December relating to US market development.

Lloyd Garcia, the Regional SPS Advisor for USAID based in Nairobi, gained insight into the exciting developments going on in the Ethiopian Horticulture Industry during his farm visits to Ilan Tot strawberry farm, Jobera Flowers in Debrezeit, Golden Rose and Omega Farm near Addis Ababa. His office in Nairobi is sponsoring a delegation of Ethiopian rose growers, including representatives from EHPEA, to participate in a US flower logistics tour, and the Miami Flower show in March 2008, coordinated jointly by the ATEP and AGOA programs. The study tour will examine the logistics



Photos by Fintrac Inc.

Peas are harvested at Chancho Flowers, a USAID-ATEP lead client.

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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infrastructure at three potential points of entry for Ethiopian flowers going to the US, namely, Miami, New York and Washington. The goal is to optimize the direct flight capacity with Ethiopian Airlines. The participation of both EHPEA, as organizers of the Ethiopian Pavilion, and individual Ethiopian growers at the Miami Show, will create further opportunities in the US market.

The United States Department of Agriculture – Animal and Plant Health Inspection Service (USDA/APHIS), represented by Linda Logan, representative for East Africa, and Dr. Vedpal Malik, an APHIS specialist from the US, conducted an inspection of Red Fox Ethiopia and Ethiopian Cuttings facilities in early December. This annual inspection relates to compliance with phytosanitary procedures associated with the export of Pelargonium cuttings to the US. We congratulate both organizations for successfully complying with the requirements.

December also marks the traditional start of the bobby bean export season to the Van Oers organization in Holland by our lead client, Ethio Vegfru. During the six-month production season from December to May, the farm expects to export between 1,000 to 1,500 tons of beans. Ethio Vegfru continues infrastructure and technical developments to enhance production and competitiveness of this export crop.

This month we carried out a feasibility study on the potential of passion fruit as a smallholder commercial crop in Ethiopia. The study centers on Tibila state farm, situated in the Upper Awash Valley and other potential areas within the Eastern Corridor.

So far we can conclude:

- All the localities studied have good ecological conditions for passion fruit production.
- The present agronomic practices by the smallholders, state farms, and research institute favor passion fruit production.
- Development agencies like MARC, HCS and MoARD are willing to cooperate with ATEP to carry out demonstration activities.

ATEP extends its congratulations to both Prins Vegetables and Tabor Herbs for successfully renewing their GLOBALGAP certification for 2008. The audit processes for GLOBALGAP emphasizes the issue of agrochemical registration for vegetable crops as one of the many regulatory challenges facing new investors in specialized export crops.

SPECIALTY COFFEE

This month has witnessed the graduation of the first 12 ‘Q’ Graders in Ethiopia. The training in the ‘Q’ advanced cupping program was organized by USAID-ATEP with partners Boot Coffee Consulting, the Coffee Quality Institute (CQI), and the Ethiopian Coffee Exporters Association (ECEA).

Throughout December, the project also provided technical support on coffee processing for natural, sun-dried coffee processors including Moplaco, SA Bagersh, Amaro Gayo, Pioneer Coffee (IPS), and Guji Coffee Export Plc. Natural, sun-dried coffee processing is increasing and prices are strong in this high-value niche market.



Photos by Fintrac Inc.
Workers sort coffee at IPS, a client in Yirgalem.



Eleni Abebe receives her certificate as a Q-grade cupper from CQI President Ted Lingle, right, and ECEA President Abdurezak Sherrif.

In addition, technical support on coffee production was provided for five clients (Kebede Adela, Negussie Gashe, Adola Ararso, Kebede Halake and Solomon Worku). The focus of these visits was on sucker regulation practices, weed control and mulching, nursery management, and seed preparation techniques.

In terms of market facilitation for both sun-dried and wet processing methods, field visits were conducted to eleven processors and input was provided to their respective marketing initiatives.

Lead clients Mullege, Ethio-Agri Ceft, Mordocofe and SMS received help in securing organic certification.

In addition to these activities, follow-up visits and cupping exercises continued in the five regional cupping labs.

HIDES, SKINS AND LEATHER

During the third round of ectoparasite control treatments in Lalogera, nearly 2,500 animals belonging to 200 farmer households were treated. For the first time, farmers paid fees for the treatment. The fees for the service will help keep the program sustainable. In addition, the training of 20 new Community Animal Health Workers (CAHW) began in Lalogera with funding contributed by FAO.

USAID-ATEP evaluated the ectoparasite situation in West Arsi Zone, following a request by local stakeholders. Joint venture proposals and analyses are underway with the project's animal health coordinator to alleviate the ectoparasite problem in the zone. Other evaluations for establishing hides and skins collection centers and ectoparasite control were made in Bale Zone, Oromia Region. Furthermore, USAID-ATEP established a linkage with private vet drug dispenser, Dr. Fekade Vet Clinic. The project assisted in the preparation of a bankable business plan for his working capital, facility expansion, and drug acquisition.

Funding was negotiated with Rotary International to secure \$120,000 for capacity building and working capital for additional CAHWs and running nationwide HSL collection centers. This will scale-up what has already been accomplished in these areas in Lalogera and Addis Ababa.

Twenty-four of the 30 collection centers built in Addis Ababa started operations during the month. They will collect as much as 450,000 pieces of hides and skins per year, valued at more than \$ 1.5 million at raw stock level.

Support continued for the establishment of Pittards Global Sourcing Plc, a local joint-venture that will be incorporated in early 2008. The company will have a total investment of more than \$750,000, produce leather goods for export worth \$12 million, and create new employment opportunities for 120 people.

OILSEEDS AND PULSES

Project technicians continue to help clients produce high quality, organic sesame for the international market. All the necessary data was collected from lead client Bio Ecoland Ethiopia to be certified organic by BCS Germany, helping to command stronger premiums for sesame exported to the US.

USAID-ATEP conducted a TA visit to Zi-Andeta Dodecha, a haricot bean farm. The farm is preparing to conduct certified haricot bean seed multiplication, which will be marketed to primary cooperatives, farmers' cooperatives, smallholder farmers and SNNP bureau of Agriculture and Rural Development to produce high quality haricot beans.



Photos by Fintrac Inc.
USAID-ATEP Animal Health Program Coordinator Dr. Kassa Bayou checks for ectoparasites in Mehal Meda North Shoa.

The three varieties (Awash Melka, Awash 1 and Red Kidney beans) are from the project’s initial seed trial and multiplication.

Work has also started with a new lead client, Kedir Abdela Beshero Import/Export Plc. The company is one of the major pulse and oilseed exporters in the country. Major exporters in Humera (Warka Trading Plc, Ali Abdo Import and Export Company) and Ethiopian Grain Trade Enterprise were also visited.

Field visits to Wolkayit and Tsegede woredas were conducted and discussions were held with the office of Agriculture and Rural Development concerning the training program to be held in January and February. In Wolkayit woreda, out of 18 kebeles, seven kebeles are solely sesame growing areas. In the remaining kebeles, sesame is produced together with other crops. Similarly in Tsegede, out of 24 kebeles, 12 kebeles produce sesame. In these two woredas, 19 development agents will be trained using the project’s “training of trainers” (ToT) approach, and are expected to train 950 farmers.



Photos by Fintrac Inc.

Warka Trading Operations Manager Berihun Zegeye, left, and USAID-ATEP’s Teka Redda show off the new sesame cleaning machine installed at the plant in Humera.



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