

Monthly Update – April 2008

Agribusiness and Trade Expansion Program

“Increasing Rural Incomes and Employment”

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NOTE FROM THE PROJECT DIRECTOR

USAID-ATEP took center stage at the first Pan African Competitiveness Forum (PACF) held here in Addis Ababa, where our HSL sector manager, Teshome Kebede presented on the successful clustering activity we initiated in the leather industry. This puts Ethiopia firmly on the map as an example of industry clustering in Africa.

We were pleased to welcome Fintrac Senior Agronomist Dr. Richard Pluke for a return visit to Ethiopia. His work in Integrated Pest Management (IPM) has helped significantly in combating insect pests in sesame crops. This is particularly welcome in the main sesame growing area in the North West, where few other programs are active.

In the coffee sector, we continue valuable training in basic agronomy at a grass-roots level for producers. In Addis we are working with Starbucks on plans to open a Farmer Training Center that will include central and regional cupping labs.



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

HORTICULTURE

Activities this month focused on capacity building within key sub-sectors of the plantation fruit industry.

Passion fruit. The project continues to support Africa Juice, a new venture that has set targets to become a major producer and exporter of tropical fruit juices from selected countries in Africa for markets in Europe and the Middle East. Africa Juice is planning a large-scale plantation of passion fruit, mango and papaya in the Upper Awash area. The company is finalizing an agreement with the government to take over the Tibila State Farm, which will be developed into a commercial fruit plantation and juice factory. The first passion fruit plantings are expected in late 2008, and juice production will start in late 2009.

USAID-ATEP team members traveled with representatives of Africa Juice to Tibila Farm and smallholder farms in the surrounding area to develop an outgrower scheme for juicing operations. The team held discussions with stakeholders including the Cooperative Bank of Oromia, Agriculture and Rural Development Office of Oromia, Catholic Relief Service (CRS), Boset cooperatives, and Cooperative Bureau of Oromia (CBO).

Table grapes. As part of our ongoing grape development work, USAID-ATEP consultant Emil Van Wyk made field visits to Luna Farm, Almeta Farm and Elfora Farm. These visits confirmed that the agronomic trainings carried out in February were effective. Training included trellising, dormancy, irrigation and fertilization. Van Wyk was accompanied



Photos by Fintrac Inc.

USAID-ATEP coffee farmers are trained in sucker control.

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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by an irrigation engineer to evaluate current systems and formulate corrective measures for each farm. He also took measurements of the farms for mapping and to make recommendations for future plantings. The maps are important in establishing a proper database and economically sound agricultural practices. A baseline mapping service was also conducted in Tigray at a potential table grape investment project near the city of Mekele. Following the evaluation, findings were shared with the owners and farm managers.

Bananas. Initiatives for the banana industry commenced with lead client Gadco Agribusiness, a pioneer investor in commercial private-sector banana plantations, near Arba Minch in the southwest of Ethiopia, some 500 kilometers from Addis Ababa. We established a cost-sharing agreement with Gadco to develop an irrigation system to improve yields and quality of bananas. Currently, the farm has developed 10 hectares of bananas and sells its fruit to ETFRUIT, the country's leading fruit and vegetable marketing agency. A pilot project to significantly expand banana exports from Ethiopia to regional markets using refrigerated containers is also underway.

SPECIALTY COFFEE

Activities this month at the field level included coffee plantation maintenance and management operations. Eight beneficiary farmers of lead clients including DTC, Sibu Eba and IPS were given technical assistance focusing on cultivation, compost applications, intercropping within stumped coffee fields, and sucker regulation operations.

Follow up and assessment of the rural cupping labs continued. Konga and Wotona Bultuma cooperative cuppers are performing well as expected, and more farmers are bringing their coffee samples in for testing in the production areas.

Coffee production data was collected from 12 clients. This includes wet-processed and the special sun-dried coffee techniques. Both methods are earning high market prices.

We are assisting the Ethiopian coffee delegation to travel in May to the annual Specialty Coffee Association of America (SCAA) conference in Minneapolis. Ethiopia is this year's "portrait country" and both USAID-ATEP and our government partners are committing significant resources toward making this a success.

HIDES, SKINS AND LEATHER

Field visits and feedback collected from farmers in Menz woreda of North Shoa confirmed positive results in fighting ectoparasites with project assistance. Farmers note that animals are gaining weight while sheep and goat skins are showing improved in quality. Herders are paying ETB 0.40 per treatment. Although the number of animals treated during the first two months of the



USAID-ATEP's Tesfaye Negash trains beneficiary coffee farmers of program client DTC in pruning techniques.



Workers at the program-assisted Legedadi Abattoir hold a demonstration.



Africa Juice representatives visit Tibila Farm.

campaign was low, the number of animals treated during the last two months increased sharply to 51,894.

Seven of the 20 Community Animal Health Workers (CAHWs) trained through USAID-ATEP's collaboration with the FAO are now licensed to start treating animals in their communities. Farmers are expressing their appreciation for these health workers assigned to their communities, which eliminates long treks with their animals.

Ethiopia hosted the Pan African Competitiveness Forum (PACF) in April, funded by The Competitiveness Institute (TCI) and SIDA. Competitiveness cluster experts from all over Africa convened for the forum. HSL sector manager Teshome Kebede spoke about USAID-ATEP's success in forming a competitiveness cluster and putting Ethiopia on the map as an example for industry competitiveness clustering.

The 30 collection centers around Addis are in full use, many were overflowing during Ethiopia's Easter (Fasika) at the end of April. After the recent 40-day fast, many Ethiopian families celebrated by feasting on sheep and goats contributing to the sudden surplus of skins. To further strengthen the centers, we continue technical assistance in collaboration with the Addis Ababa Urban Agriculture Office and Ethiopian Leather Industry Association (ELIA) for assigned collectors of hides and skins. On a related note, according to the operational plan set by USAID-ATEP and the Relief Society of Tigray, a sensitization and planning workshop was carried out in Mekele for public and private sector representatives on establishing hides and skins collection centers in that region.



Fintrac's Dr. Richard Pluke teaches IPM to researchers, agriculture experts and DAs in Humera.

OILSEEDS AND PULSES

We continue to work on sesame production throughout in Tigray. Besides field visits and technical assistance, training on Integrated Pest Management (IPM) was conducted for six agricultural experts and eleven development agents (DAs) from the Humera office of the Ministry of Agriculture and Rural Development. The training was given by Fintrac Senior Agronomist/Entomologist Dr. Richard Pluke, and Dr. Geremew from EIAR/WARC. We are also evaluating methods of pest and disease control for farmer cooperatives in Setit Humera, Dansha Aurara and Metema.

Training on sesame production and quality improvement was carried out by 13 DAs for 1,260 sesame farmers in Kafta Humera Woreda under the training of trainers program. The DAs were trained by USAID-ATEP agronomist, Yitbarek Liben. Similar training events will be held in 11 kebeles of Tahitay Adyabo in the near future on production, quality and marketing for additional Agricultural Experts, exporters, cleaners, processors, traders, brokers and other governmental and private service providers.

Next month will see the launch of the cluster activity with the planned Amhara Millennium Sesame Quality Campaign, to be held May 1-17. The campaign will include trainings in five woredas and 26 kebeles of Amhara.

In pulses, the project continues to assist new lead clients Burka Gelleti and Afran Kello Farmer's Cooperatives Unions in Harerghe and Kedir Abdella Beshir Import Export in Adama. USAID-ATEP is promoting their haricot bean production, quality and export activities.

TRADE AND INVESTMENT

Yalkoneh Flowers' loan application with Dashen Bank is expected to be approved this summer before the next production cycle starts with plantings in July.

A new local investor with 200 arable hectares near Arbaminch has approached the project with initial plans to grow sesame and vegetables for export and local markets. Discussions with the owner and his local BDS provider have commenced with plans to develop a feasible business plan and loan application with one of the USAID loan guarantee facility member banks.

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Doors have opened for two clients with local banks Nib and Wegagen. Our clients DFT and DTC PLCs have been introduced to the credit departments of Wegagen and Nib, respectively. Facilitations were made for our clients to access finance for their investments and working capital needs and preparations are underway for Dominion Trading, the US-based partner of DTC, to work with Nib Bank.

Three requests for project finance were sent to the PTA Bank in Nairobi. PTA responded positively to the business plans provided, and has requested follow up with the clients. Further plans for the business are being developed to advance the engagement with PTA.

In preparation for the planned training in May, appropriate training materials have been prepared for enabling the Humera based Setit Cooperative Union to begin upgrading its business planning and execution capacity. A guide and a tool kit have been developed and shared with the Union to start in May.

A TOR has been developed to engage with the regional Amhara Bureau of Trade and Industry's Investment Agency. A strategy has been crafted and shared with ABoTI to empower the investment agency to undertake its own strategy development and streamline its investment promotion efforts.

Two meetings of the Gonder Sesame Forum were held for the first time this month and a third is planned for early May. Efforts are underway to identify local industry leaders to solve industry problems. The industry would benefit from stronger organization and the mechanisms to make continuous improvements to operational standards and methods.

A trip was coordinated with the oilseeds and pulses team to East Harerge, in an effort to formulate strategies for continuing business development efforts for the area. Contacts were made with local unions and discussions were held with the Harerge Catholic Secretariat on building formal partnerships.

WAREHOUSE RECEIPTS SYSTEM

The Ethiopian commodities Exchange (ECX) started receiving grain from its trading and intermediary members from Wollega and Nazareth. The incoming commodities are first-grade white maize, and processed/cleaned first-grade white pea beans. USAID-ATEP is assisting Ethiopian Commodity Exchange (ECX) to lay down its ground work, which is:

- Finalizing and setting up ECX grade standards, grading procedures and commodity contract specifications.
- Setting up necessary grading equipments, and
- Facilitating the leasing of a warehouse from Ethiopian Grain Trade Enterprise (EGTE) and its maintenance for proper handling of commodities.

Current project technical assistances includes:

- Facilitating the spraying of insecticides to protect storage insect infestation in the warehouse leased from EGTE.
- Coordinating EGTE staff members to cooperate with ECX warehouse staff members in running a grading laboratory.
- Continued assistance to ECX quality inspectors and warehouse managers on grading and stacking of incoming commodities, as well as the preparation of documentation including grading sheets and goods received notes to be sent to the central depository to create tradable warehouse receipts.