

Monthly update – May 2008

Agribusiness and Trade Expansion Program

“Increasing Rural Incomes and Employment”

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FROM THE PROJECT DIRECTOR

May got off to a great start with USAID-ATEP integrally involved in promoting Ethiopia as the portrait country at the 20th Annual SCAA conference in Minneapolis. The large delegation of coffee exporters was able to promote the wonderful range of specialty coffees we have here in Ethiopia to buyers from around the world. H. E. Yakob Yalla, Minister of Agriculture and Rural Development, accompanied the delegation and then traveled to Washington, D.C. to take part in meetings at Fintrac, USAID and the American Chamber of Commerce.

Also this month USAID-ATEP provided assistance to USAID’s booth at the Ministry of Agriculture and Rural Development’s (MoARD) centenary celebration exhibition in Addis Ababa. We showcased our activities in each production sector and explained how our efforts contribute to helping the government achieve agribusiness export targets.

We continued our participation in the PSD/DAG (private sector development donor action group) meetings, which are invaluable in comparing progress on the different value chains in Ethiopia and in ensuring our activities complement and not overlap efforts of the GOE and other donors.

Toward the end of the month we held the 3rd quarterly staff meeting at the King’s Hotel. It was good to get the whole team together especially our field-based colleagues. There were excellent presentations from the sectors and training on office operating procedures.



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

TIGRAY: USAID-ATEP conducted field assessments for vegetable production in Tigray at the beginning of the year. The major vegetable producing areas include 15,432 hectares of



Photos by Fintrac Inc.

After the 20th Annual SCAA conference in Minneapolis, Minn., Ethiopian delegates met with Fintrac in the Washington, D.C. office. From left to right: Jay Kaufman, agribusiness program manager; Mengistu Tadesse, Coffee Liquoring Units director; Assefa Mulugeta, assistant to the state minister; Kathleen Jacques, Fintrac agribusiness program specialist; H. E. Yakob Yalla, Ethiopian minister of Agriculture and Rural Development; Robert Rabatsky, Fintrac vice president; and Steven Humphreys,

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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irrigable land in the southern and eastern parts of the region. The project found that the major problems for vegetable producers in Tigray include a lack of knowledge of good agricultural practices, shortages of agricultural input supplies, and weak linkages between farmer groups. In response to these challenges, USAID-ATEP continues to establish three demonstration sites at Munera farm (outskirts of Mekele), Maekebwa, and Wukro farms and provide vegetable, oilseeds, and pulses production training.

USAID-ATEP Trade and Investment Assistant Gebremichael Habte and Senior Agronomist Melaku Tedla carried out a follow up field visit to Mekele at the beginning of the month. They provided vegetable extension training to smallholder farmers near Mekele who currently produce tomatoes, potatoes, onions, peppers, lettuce and garlic on approximately 20 hectares of fragmented irrigable land.

USAID-ATEP also provided training on good agricultural practices for ten Munera farm workers in Mehoni area. Prior to USAID-ATEP's involvement, Munera farm, a non-lead client of the project, planted open pollinated tomato varieties, which are low yielding and not disease resistant. The farm is now the demonstration site for the high-yield, disease-resistant tomato variety, Ana, which produces up to 60 kilograms of tomatoes per plant.

TABLE GRAPE MARKET LINKAGES: USAID-ATEP facilitated the inward buyer mission from the Five Star Company, based in South Africa, to Ethio Grapes Share Company, Luna, Almeta and Elfora farms. The mission aimed to establish market linkages with Ethiopian table grape farms, facilitate the availability of agricultural inputs, particularly seedlings, chemicals and farm tools, which are not locally available, and explore the possibility of investing in Ethiopian table grapes. The investment consortium plans to establish around 60 hectares of new table grape plantings in early 2009.

VEGETABLE SEED VARIETY TRIALS: Several of the international commercial sponsors of the seed variety trial at Melkassa Research Center including Bejo Seeds (Holland), Murphy Chemicals (Kenya) and Omex (UK) visited the Center to monitor ongoing progress. Local sponsors such as Chemtex and Axum Greenline also visited the Center and contributed certain agricultural inputs. A field day is scheduled for June 28th.

USDA's Faculty Exchange Program (FSP) launched a program for capacity building in phytosanitary (plant health) programs for selected Agricultural Universities in Africa including Ethiopia, Angola, Ghana, and Nigeria. During the second year of the program, FSP will accept applications from Ethiopia and other African countries. USDA has a reputation of supporting phytosanitary (SPS) programs in Africa for many years. Edward Gerard, of the USDA's Foreign Agricultural Services, Washington, D.C. bureau, visited Hawassa University in SNNPR. The visit included discussions on the campus expansion plan, which increases student capacity by 7,000.

SPECIALTY COFFEE

SPECIALTY COFFEE ASSOCIATION OF AMERICA CONFERENCE AND EXHIBITION: The Annual Specialty Coffee Association of America (SCAA) Conference and Exhibition took place in Minneapolis, Minnesota during the first week in May. The conference showcased Ethiopia as a "portrait country," making Ethiopia the first African country



Cees Keppel, right, of Bejo Seeds in Holland and USAID-ATEP's Ian Chesterman visit the Melkassa trial site for hybrid onion varieties.



Representatives of Five Star visit Biruh Tesfa, a drip irrigation system company in Tigray.

to be selected for this honor. USAID-ATEP Chief of Party Steve Humphries attended the event with more than 40 Ethiopian delegates from the Ministry of Agriculture and Rural Development (MoARD), coffee farmer unions (Oromia, Sidama, Yirgacheffe Unions), Coffee Plantation Development Enterprise (CPDE), Ethiopian Coffee Exporter Association (ECEA) and other distinguished government officials. More than 8,000 coffee professionals from more than 40 countries were also present. The conference featured participants from every segment of the coffee industry, including coffee producers, exporters and importers, roasters, retailers, manufacturers and baristas. Ethiopian coffee representatives established new business linkages with exporters and buyers.

The project funded the Ethiopian booth as well as travel for ECEA executives. The USAID mission in Addis also made a major contribution to cover conference costs.

At the end of May, H. E. US Ambassador Donald Yamamoto hosted a business lunch at his residence for H. E. Yakob Yalla, Minister for Agriculture and Rural Development, and the Ethiopian coffee delegation to Minneapolis. All received positive feedback about the SCAA event.

COFFEE QUALITY IMPROVEMENTS: The first 25 Q-graders in Ethiopia recently attended a workshop organized by the Coffee Quality Institute (CQI) at the ECEA lab on coffee calibration, grading, roasting, cupping and Q-grade certificate preparation. Eighteen lots of Ethiopian coffee qualified as SCAA specially graded coffees. David Roche and Marty Curtis from CQI assisted with the training. The closing ceremony at the Addis Ababa Golf Club received print and electronic media coverage. Farm-level training and technical assistance also continued with four training events for 57 beneficiary farmers of lead clients S.A. Bagerish and Dominion Trading, plc. These trainings focused on compost management and application techniques, sucker regulation, and light pruning practices. In addition, USAID-ATEP provided 12 technical trainings on coffee production techniques and wet mill coffee processing to S.A. Bagersh, SMS, Kassa G / Yes, Sidama Union, DTC, IPS and Moplaco.

HIDES, SKINS AND LEATHER

The production percentage of export-quality hides, skins, and leather dropped from more than 60 percent in 1970 to less than 20 percent in 2005 because of ectoparasite infestations and postharvest mishandling. These losses eroded Ethiopian hides, skins, and leather export earnings. In response, USAID-ATEP launched postharvest management and ectoparasite treatment and prevention campaigns in collaboration with government, industry and other stakeholders. USAID-ATEP undertook massive training of trainer campaigns throughout the Amhara, Tigray, Oromia and SNNPR. USAID-ATEP also commissioned a national survey by a private consultant to assess the impact of the campaign. According to the survey, the deterioration of the quality of raw hides and skins slowed for reject and low-grade skins while high-grade skin quality improved 2 percent. Ectoparasite “ekek” defects fell from almost 70 percent in 2005/06 (base year) to 53 percent for 2007/08.

OILSEEDS AND PULSES

Oilseeds: USAID-ATEP conducted the Millennium Sesame Production and Quality Training as well as the HIV Prevention and Malaria Control Training in Amhara Regional State in collaboration with the Amhara Bureau of Agriculture and Rural Development (ABARD), North Gonder Office of Agriculture and Rural Development (NGOARD), and Amhara Bureau of Health (ABOH). The training took place over 17 consecutive days in 28 kebeles located in five woredas of North Gonder (Metema, Quara, Tsegede, Mierab Armacheho and Tach Armacheho) for 6,463 trainees including sesame farmers, woreda agricultural experts, Development Agents (DAs), exporters, traders and other industry stakeholders.

Training in good agricultural practices including seed selection, planting, cultivation, harvesting and postharvest handling aimed at increasing the quantity and quality of sesame production to make the industry more competitive in the export market. The training also served as a forum for identifying sesame production problems such as the shortage of agricultural input supplies (improved sesame seed varieties, pesticides, herbicides, and good quality packaging) and poor linkages among DAs, primary cooperatives and unions. A similar training event is scheduled for the first week of June in 18 kebeles of Kafta Humera and Tahitay Adiabo woredas in Tigray.

USAID-ATEP also met with potential organic sesame lead clients, Fenote Tekie and Steve Sunseri. They farm 5,000 hectares of land in Guba/Mankush, Benishangul Gumuz and are working with 105 investors to improve farming techniques and provide sesame for export to the US.

Pulses: USAID-ATEP continued work with Catholic Relief Services (CRS) and technical assistance in good agricultural practices to DFT, haricot bean exporters. USAID-ATEP also continued efforts to complete and distribute posters on good agricultural practices, the sesame seed bug, and web worm.

WAREHOUSE RECEIPTS SYSTEM

Warehouse Receipt Specialist Etagegn Geremew continued providing technical assistance to the Ethiopian Commodity Exchange (ECX) as follows:

- Trained the warehouse team in practical grading and proper stacking of consignment on the prepared stack line
- Assisted with the start-up of the Ethiopian Grain Trade Enterprise (EGTE) warehouses in Nazreth and Nekemt
- Helped recruit quality control personnel and warehouse managers
- Participated in warehouse operations risk management meetings
- Geremew also planned additional training events and activities so that ECX partners can build their technical capacity to meet ECX grading requirements.

TRADE AND INVESTMENT

USAID-ATEP Trade and Investment personnel completed the following activities in May:

- Developed an Amhara Region Investment Agency work plan for strategy development and investment promotion
- Led the third meeting of the Gonder Sesame Forum
- Made a presentation on long-term business planning and strategic development for sesame cooperative representatives at the request of the Metema Farmers Union
- Held discussions with commercial farmers interested in setting up a private sesame association that would enable them to work together toward solving sesame production and marketing problems
- Conducted training on small business planning for a group of women entrepreneurs supported by the US Embassy

In addition, the Private Sector Development Technical Working Group of the Donor Action Group (DAG) bought into USAID-ATEP plans to introduce multi-donor credit guarantees and technical assistance in business planning and operations for commercial farmers engaged in crop production for local and export markets. Discussions with individual member institutions of the DAG followed.



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