

Monthly Update – September 2008

Agribusiness and Trade Expansion Program

“Increasing Rural Incomes and Employment”

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NOTE FROM THE PROJECT DIRECTOR

A good part of this month was spent supporting the mid-term evaluation team that was contracted by USAID. The evaluators held over 100 meetings including field visits to the program’s four main geographic areas, as well as interviews with clients and counterparts in each of our four subsectors. The evaluators also traveled to client areas and met with several farmer groups including coffee growers in Sidamo and oilseed growers in the Metema region.

We also received confirmation that USAID will extend the program for an additional two years, through April 2011. USAID-ATEP has also been awarded additional funding that further expands the project scope with three components Health Education and Awareness, ECX and Coffee Quality. The breakdown of new funding includes \$1.2 million from PEPFAR to deliver health training in rural areas where we are actively work with farmers. A sixth project component, ATEP Health, will be set up to implement this activity. Another \$1 million is slated for staffing and capacity building at the Ethiopian Commodity Exchange (ECX) and another \$300,000 slated to improve coffee quality and grading practices with the Coffee Quality Institute (CQI).

We also held our 4th Quarterly staff meeting and changed the format to include visits by guest speakers. Our first guest speaker was Dr. Eleni Gabre Medhin from ECX. Dr. Eleni briefed USAID-ATEP employees on ECX’s current set up and operations. It should be noted that three additional ATEP staff members will be added to the ECX component starting in October. This is very important as USAID-ATEP is currently working with coffee, haricot bean, and sesame seeds which are commodities that will be traded through ECX.



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

HORTICULTURE

Training and Technical Assistance: This month we carried out an Internal Auditor Training for GLOBALGAP in collaboration with the Ethiopian Horticulture Producers and Exporters Association (EHPEA), led by Dr. Glenn Humphries from EHPEA, Benjamin Mwangani from Kenya and Timothy Mwangi



Photos by Fintrac Inc.

Coffee beans are dried and sorted at USAID-ATEP lead client Homeland Coffee.

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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from Fintrac in Kenya. Training modules were organized around the following four components: general principles of internal auditing, pesticides and fertilizer, food safety, and the environment.

The second part of the training was geared toward GLOBALGAP pre-audit. The staff at Magical, Ameta and Luna Farms facilitated logistical support for the training. Topics included farm structures and equipment, site management issues, documentation and staff training. The trainees included staff from USAID-ATEP, EHPEA, leading commercial fruit and vegetable farmers, flower growers and members of the Ministry of Agriculture and Rural Development (MoARD).

An agreement has been reached with EHPEA to develop GLOBALGAP compliance training posters to support ongoing activities for vegetable and fruit farmers. These posters will be used for on-farm trainings and will incorporate key GLOBALGAP issues such as proper agrochemical/fertilizer management and safe-handling, farm safety, hygiene, and environmental issues. USAID-ATEP and EHPEA are working in partnership to build local business development services for the provision of GLOBALGAP accreditation training and internal audits for vegetable and fruit growers.

USAID-ATEP also signed an agreement to provide horticulture technical assistance in partnership with EHPEA by launching a pilot project (CFC-EHPEA) which will be based in the Ziway-Meki area. This project will operate an outgrower scheme in conjunction with market-led vegetable production companies. This collaboration is expected to enhance the development of export vegetables, particularly among smallholders and emerging commercial growers. Areas of cooperation include:

- Developing and installation of traceability system for smallholder farmers.
- Designing of a commercial, self-run operation system for the CFC – EHPEA built backhouses.
- Conducting on farm demonstrations and trials on market oriented vegetable production systems.

SPECIALTY COFFEE

Training and Technical Assistance: A series of field visits and technical assistance trainings for USAID-ATEP clients and beneficiary farmers continued throughout September. The program provided technical assistance at three demonstration sites on coffee production as well as overall agronomic management practices with an emphasis on compost application and weed control management techniques.

In addition, nine wet mill stations including SMS, Dominion Trading, SA Bagerish and Amaro Gayo received technical support on site preparation, drying table construction, and wet mill machine maintenance in anticipation of the approaching harvest season.

Additional training on coffee quality improvement was conducted for 10 farm workers of Limu Kosa. The coffee sector team also worked on training manuals, laminated pictures and presentations for the Ahmara region coffee training to be held in October.

HIDES, SKINS AND LEATHER

USAID-ATEP granted a technology fund award to upgrade hides and skins production capacity, hygiene and environmental practices at Burayou Abattoir. USAID-ATEP will invest in the design, production and supply of custom made metal overhead rails for hoisting carcasses that will facilitate flaying and improve production capacity and skin quality.

Expected results include:



A marketing expert with TAYTU takes orders from buyers at the D&A International Fashion Show in New York.

- A 50 percent increase in flaying efficiency and slaughtering capacity.
- Reduced damage from flay cuts.
- 50 new jobs
- Hides and skins will be cleaner, because they will be flayed off the ground; likewise, meat will also be more hygienic.

In mid September, USAID-ATEP sponsored TAYTU's participation in the Designers and Agents fashion tradeshow in New York. An unprecedented number of retail outlets and prestigious department stores visited the TAYTU booth. Top international retailers including Barneys of New York ordered more than 500 bags. Additional orders are secured for other retailers in the US, South Korea, and Japan, with total orders for the TAYTU Spring 2009 collection to equal 454 units, a value of \$39,074.

The first draft of the Ethiopian Leather Industries Association's (ELIA) five year strategy (2009-2013) was finalized. After carrying out an environmental and institutional assessment, ELIA has identified opportunities and challenges from the external environment and weaknesses and strengths from its institutional assessment, providing a work plan for operational management and strategic planning for the years to come.

USAID-ATEP leveraged \$23,000 from the Rotary International to support capacity building of the Leather and Leather Products Training Institute (LLPTI) by sponsoring one of its designated staff, Mr. Shegaw Ahmed, a chemical engineer, to attend a one year MSc. program at the University of North Hampton on advanced leather tanning techniques.

OILSEEDS AND PULSES

Sesame: Discussions were held with the Amhara Bureau of Agriculture and Rural Development and North Gondar Office of Agriculture and Rural Development regarding USAID-ATEP activities in the region on sesame production and the Millennium Sesame Quality Training. An agreement has been reached to assess the impact of the training and further strengthen our joint activities.

The Oilseeds and Pulses team along with the Trade and Investment team visited and held discussion with lead client Hewons Sun World Seed Plc, the local partner of US Worldwide Food Sources and Sunshine International Foods Inc. Hewons currently supplies sesame and chick peas to its partners, and is planning to produce sesame in Gambella Region to export value-added hulled sesame to the US market. Negotiations are ongoing with United Bank on obtaining a merchandise line of credit.

Since USAID-ATEP is promoting and assisting organic sesame producers and exporters, discussions were also held with ACO ERSHA Ltd. on capacity building and market-led technical assistance.



Yitbarek Liben, Oilseeds Agronomist (middle), providing technical assistance on insect infestation and proper seedling for active clients Tesfu (left) and Tesfaye Areki (right) in Maykadra, Tigray region

The company is based in Addis Ababa and working with partner AGRO ECO, based in the Netherlands, on organic and sustainable agriculture. It is promoting Ethiopian organic agricultural products in the international market. Many sesame producers could greatly benefit from the production of organic certified sesame that could translate into higher premiums on the international market.

Training and Technical Assistance: At the beginning of the month, USAID-ATEP provided a series of trainings and TA on strategic planning, practical growth, profitability and chemical safety practices (including sprayer handling and chemical usage) for 38 members of USAID-ATEP lead client Metema Multipurpose Farmers Cooperative Union in Amhara.

Yitbarek Liben, a USAID-ATEP oilseeds agronomist, carried out on-farm training on Gebreyohannes Asgedom's farm in Adebay Woreda. Training focused on row planting and how that can help reduce total production and weeding costs. In addition, technical assistance on safe chemical applications was given to 25 active and non-active clients in Rawyan, Adebay and Maykadra woredas.

WAREHOUSE RECEIPTS SYSTEM

USAID-ATEP continues to provide technical assistance on business and warehouse operations to the Ethiopian Commodity Exchange (ECX). After establishing the groundwork and ensuring that warehouses are operational (establishment of commodity standards, grading procedures, proper warehouse operation and regulations, and screening and assigning staff members), USAID-ATEP's warehouse receipts specialist, Etagegn Geremew, will carry on working on the management side of warehouse risks and the identification of the challenges faced by warehouse operators and quality inspectors.

The type and quantity of grain deposited and issued in September is summarized in the following table:

COMMODITY	DEPOSITED	ISSUED	PRICE / QTs
White maize grade 1	300.4 qts	250.8 qts	602 birr - 555 birr
Processed white pea beans grade 1	1,453.4 qts	1,653.2 qts	575 birr -580 birr
Unprocessed white pea beans grade 1	101.2 qts	-----	-----
Soft wheat grade 1	-----	-----	-----
Soft wheat grade 3	-----	-----	-----

TRADE AND INVESTMENT

USAID-ATEP continues to work in the oilseeds and pulses sector and is working closely with US-based Worldwide Food Source and local sesame company Hewons to finalize their first shipment to the Middle East. The initial consignment of 500 MTs of sesame has been cleaned and is ready for shipment.

Several companies, including Double 'A', Sesame Processors in Bahir Dar, Menasse Melke, new irrigating farmers in Arba Minch, Amaro Gayo Coffee, and Gesha Coffee Roasting Project in Addis Ababa received financial analysis assistance this month after submitting business development plans for program review.

Setit Unions in Humera, Dansha Aurora in Dansha and Metema Union in Shehedy all were trained in private sector business practices. The training is part of a joint program with the oilseeds sector that blends business and agronomic training to enable the unions to increase sales and profits.

The Ethiopian Oilseeds Spices and Pulses Exporters Association (EPOSPEA) received production assistance for a marketing and promotion bulletin to be used during the association launch planned for October.

The team continues to promote a multi-donor loan guarantee schemes through the DAG Private Sector Development Working Group.