

Monthly update – July 2008

# Agribusiness and Trade Expansion Program

“Increasing Rural Incomes and Employment”

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## NOTE FROM THE PROJECT DIRECTOR

As the meher rains are now in full it has been more difficult to continue field work in some areas. We have held important meetings this month, particularly in the hides, skins and leather (HSL) sector aimed at strengthening ELIA, and the industrial clustering initiative that has now matured. We hope that the entrepreneurs selected for this will take their new responsibilities seriously and encourage the leather industry to keep working together.

In the oilseeds sector it looks like sesame plantings will increase substantially this season after last year’s record high price. We will continue to focus on improving yields in the oilseeds sector.

The coffee sector looks set for a good harvest this year. So building on the harvesting training we have already done, are aimed to lower reject rate at the processing units.



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

## HORTICULTURE

**Vegetables:** Following the Horticulture and Pulses field day at the end of June put on in collaboration with the Melkassa Agricultural Research Center (MARC), follow up meetings and discussions continued with the research center, Ethiopian Institute of Agricultural Research (EIAR) and seed agents from Seminis and Hazera. An agreement was reached to conduct trials on selected hybrid vegetable seed varieties and to begin the registration process.

The specific hybrid seed varieties will be selected following the report on the Horticulture and Pulses field day, which covers the performance of the different seed varieties. According to the Memorandum of Understanding (MoU) signed between MARC and USAID-AATEP, the MARC technical team is responsible for collecting data and reporting on the performance of the varieties.



Photos by Fintrac Inc.  
**Women sort coffee cherries at HomeLand Coffee in Bonga, SNNPR.**

### 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-AATEP at:

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USAID-ATEP Senior Agronomist Melaku Tedla carried out a field visit to Tigray Region to establish vegetable demonstration plots as requested by vegetable growers in Mehoni and the outskirts of Mekele. USAID-ATEP provided high yielding and disease-resistant vegetable varieties including tomato, cabbage and onion.

USAID-ATEP sponsored a trip to visit the USAID Kenya Horticulture Development Program (KHDP) for Tilaye Bekele, Chief Technical Advisor of CFC/EHPEA project. The visit was to share USAID-KHDP's experience in helping smallholder producers engage in vegetable export marketing through GLOBALGAP certification. USAID-ATEP and the Ethiopian Horticulture Producers and Exporters Association (EHPEA), through its CFC-funded CFC/EHPEA project, promote vegetable production and marketing in Ziway and Meki.

## SPECIALTY COFFEE

**Training and Technical Assistance:** The project provided technical support in coffee processing to lead clients and beneficiary farmers and meetings were held at our coffee demonstration sites. Training was also carried out for 24 beneficiary farmers of Dominion Trading, in Yirgacheffee. This focused on compost application techniques, sucker control, and management on stumped coffee. Similarly, training was carried out for workers at Gemadro Coffee Plantation near Teppi. Training covered coffee weed control methods, pruning, shade plantation and management, coffee plant nutrition, cover cropping and red cherry harvesting.

Other technical support visits reached large-scale and smallholder coffee farms in Kaffa and South Bench Maji including Kaffa Forest Coffee Farmers Union, Homeland Organic Coffee Farm, and Green Coffee Plantation.

**11th Coffee Stakeholders Meeting:** The 11<sup>th</sup> Coffee Stakeholders Meeting focused on the second Millennium Coffee training, which will be held in Oromia, Gambella and SNNPR. Training will be carried out in 50 woredas in Oromia, 32 woredas in SNNPR and 1 woreda in Gambella. Woredas were selected by regional authorities. Training will focus on harvesting techniques and is expected to address area-specific quality problems noted by the Coffee Liquoring Unit (CLU). After cupping these coffees, CLU can provide useful feedback on how taste parameters can be improved by improved harvesting, postharvest handling, and processing.

We have also worked on collecting and shipping samples for the planned electronic auction organized by Boot Coffee Consulting and Training.

## HIDES, SKINS AND LEATHER

The joint action group of USAID-ATEP, World Vision Ethiopia and Rotary International is working to finalize a microfinance project to train Community Animal Health Workers (CAHWs) and hides and skins collectors. Rotary has raised \$100,000 and an agreement was



**USAID-ATEP Senior Agronomist Melaku Tedla visits vegetable growers in the outskirts of Mekele, Tigray.**



**Women sort naturally processed green coffee beans at Bimrew, a natural coffee processing plant and a potential client of USAID-ATEP.**



**Red cherries are dried on a cement bed at Bimrew.**

reached with World Vision USA to double this with a matching contribution. The microfinance wing of World Vision Ethiopia, Rotary Club and USAID-ATEP are structuring specific projects to establish collection centers and train operators in Wonago Zone, SNNPR. This will help in USAID-ATEP's effort to annually direct 150,000 hides and skins to the tanning industry. This is a strong example of how USAID-ATEP can leverage funds from other donors.

A working group of five members from the Ethiopian Leather Industries Association's (ELIA) board of directors and representatives from USAID-ATEP and USAID participated in a one-day retreat in Ambo to work on a strategic plan for ELIA. The main framework of the document and the draft concept note for an eventual formulation of the strategic plan were agreed on and will be presented to ELIA's board of directors. The plan aims to make ELIA the driving force in the Ethiopian leather sector, with a capacity to take over all activities that are currently implemented and funded by USAID-ATEP. This initiative will strengthen ELIA for the future and is in line with USAID-ATEP's strategy to establish sustainability in the program's four sectors.

The 6<sup>th</sup> Competitiveness Cluster Working Group (CWG) meeting was held at ILRI at the end of July. Participants from across the value chain heard presentations on sector developments. The tanning industry's needs assessment, conducted by Addis Ababa University (AAU), was one of the reports presented as one of the action initiatives identified at earlier CWG meetings. The report highlighted the need to modernize.

A follow-up survey on USAID-ATEP's intervention to minimize preharvest and postharvest damage to hides and skins was finalized. The survey was conducted throughout the country using data from all the tanning enterprises. It showed that the ectoparasite damage rate, which was 69 percent at baseline, dropped to 53 percent. The amount of product graded 1 to 3 (export grades) increased slightly from 21 percent at baseline to 23 percent as of December 2007.

## OILSEEDS AND PULSES

**Oilseeds:** USAID-ATEP's Chief of Party Steven Humphreys, Trade and Investment Advisor Ian Sherry, Oilseeds and Pulses Manager Teka Redda and Oilseeds Agronomist Yitbarek Liben visited the major sesame producing areas in Humera and Gonder. Discussions were held with program lead client Setit Humera Multipurpose Farmers Cooperative Union (SHFCU) and training was given on business development for more than four hundred members of the union. USAID-ATEP took part at SHFCU's launching ceremony for its new CIMBRIA sesame cleaning machine and USAID-ATEP was awarded a certificate of appreciation for assistance in strengthening the union.

The program visited lead client Gebreyohannes Asgedom's sesame farm, which serves as a demonstration site for project training. At the site USAID-ATEP has provided technical assistance in improved soil management techniques, high quality seeds, proper planting and spacing techniques, weeding and Integrated Pest Management (IPM). A similar visit to Gonder was also conducted at Sheba Industries, which processes sesame into tahina for export to the United States and Israel. Currently, the factory is working on trials in Humera to produce its own sesame to secure supply continuity.

**Training and Technical Assistance:** Throughout the month, Oilseeds Agronomist Yitbarek Liben provided technical assistance to four lead clients in Adibeya, Rawyan and Mai Kadra kebeles. Training focused on weed management. He also provided training on crop rotation, pest control and weed management for two lead clients and eight non lead clients in Abebay Kebele.



**USAID-ATEP's Teka Redda, Yitbarek Liben and Steven Humphreys are all smiles after receiving a certificate of appreciation from Setit Humera Multipurpose Farmers Cooperatives Union (SHFCU).**



**Steven Humphreys and Yitbarek Liben help out during a visit to Gebre Yohannes Asgedom's farm in Humera, Tigray.**

Liben continues to collaborate with the horticulture sector on tomato trials at Munera Business Group Farm and Self Help Association in Tigray Region.

## WAREHOUSE RECEIPTS SYSTEM

USAID-ATEP continues to extend support to the Ethiopian Commodity Exchange (ECX):

- Finalized the preparation of training manual on the standards of Pulses, including white and red kidney beans.
- Provided theoretical and practical trainings for warehouse managers and quality inspectors assigned in four ECX warehouses in Nazareth, Shashemene, Nekemt and Bure.
- Conducted discussions with Executive Officer of ECX Dr. Eleni Gebre Medihin on a future work plan and capacity building of ECX clients and trading members.
- Organized and submitted all documents prepared for ECX (including ECX grade standards, warehouse operations working manuals and training materials)

Maize, wheat and white haricot beans are now being traded through ECX and there are digital screens in some major agricultural towns showing daily prices.

## TRADE AND INVESTMENT

The Trade and Investment team worked closely with USAID-ATEP's Horticulture Sector Manager Ian Chesterman to commission a legal due diligence for international investment in Ethiopia, at the request of a major South African horticulture investment group looking to commit to a significant horticulture project in Ethiopia. A report was prepared by two local lawyers with expertise in commercial, investment and financial laws. The report covers the legal framework with respect to foreign investment, commercial and company legislation, importing and exporting, external financial operations and insurances.

The team also worked closely with USAID-ATEP's Coffee Sector Manager Abayneh Alemu in the planning activities of the Second Millennium Coffee Campaign, which is a follow up on last year's campaign.

Alemu continues to engage the companies in the Women's Entrepreneurs Group in the preparation of their strategic plans. The training activities continue to gain significant momentum.

Discussions have started with a local company looking to engage in large-scale agricultural production in the Welega area. Sesame and various horticulture products in fruits and vegetables are planned for production.

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