

Monthly update – June 2008

Agribusiness and Trade Expansion Program

“Increasing Rural Incomes and Employment”

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NOTE FROM THE PROJECT DIRECTOR

The main meher rainy season is now upon us, dams are filling, and farmers are planting. Interruption in the electricity supply and increasing prices (especially fuel costs) are of concern in keeping production costs competitive.

We continue, however, to receive enquiries from interested investors who see Ethiopia as a great opportunity. Abundant land, water and labor mean the country has great potential for increasing agricultural production.

We are preparing for the mid-term evaluation of the project, which we hope will lead us to the second phase of operation, taking us up to April 2011. This will allow us to consolidate our existing activities and refocus where necessary in years 4 and 5.



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

HORTICULTURE

Fruits and Vegetables: With the aim of creating knowledge on the global banana industry and multi-national plantation investments, USAID-ATEP co-sponsored a banana study tour to Cameroon, together with Maersk Cameroon at the beginning of June. The participants were from BoARD of SNNPR, Efruit, project clients (Gadco plc and Paulonya Farm), and USAID-ATEP’s Horticulture Manager Ian Chesterman and Horticulture Agronomist Petros Kelbiso. They visited a world class banana plantation in Cameroon, Societe des Plantations de Mbanga as well as Douala International Sea freight Terminal. The aim was to expose participants as to what is needed to become a major commercial banana exporter.

At the end of June, USAID-ATEP held a Horticulture and Pulses field day in collaboration with Melkassa Agricultural Research Center (MARC). MARC is the main implementing organization for the Ethiopian Institute of Agricultural Research (EIAR) with activities in the horticulture, pulses and oilseeds crop sectors.



Photos by Fintrac Inc.

USAID/Ethiopia Mission Director Glenn Anders speaks to participants at the Melkassa Field Day, sponsored by USAID-ATEP.

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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The field day was aimed at:

- Demonstrating the productivity and commercial viability of selected vegetable and pulses crops
- Providing agronomic and technical information on new varieties, hybrid vegetable seeds and good agricultural practices
- Raising awareness of new opportunities for vegetable and pulses crops for export, processing and local markets
- Developing improved access and availability of seeds to farmers through the mechanism of trials, official variety registration and subsequent retail sales
- Creating an opportunity for leading vegetable seed companies and horticulture input suppliers to demonstrate new technologies



USAID-ATEP Coffee Agronomist Getachew Zeleke visits smallholder coffee farmers near Jimma

More than 13 international agricultural input suppliers introduced their products to participants at the “Agrifair” that was part of the field day. Nearly 300 participants attended, including commercial farms, smallholder farmers, MoARD, research institutes, NGOs, sector associations, agricultural input suppliers and unions. It was widely covered by the electronic and print media.

Floriculture: USAID-ATEP granted a technology fund to project client MARGINPAR Ethiopia Farm, located in Welmera, Oromia Region. The farm has expanded to 37 hectares for its new Eryngium and Rose projects. The grant was especially for Gentiana Research and Development Trials, and to develop a viable commercial protocol for growing Gentiana. The market potential is approximately 50,000 stems a week that will require 6 hectares of production. Gentiana has its origin as an Alpine Flower that grows at high altitude, so should be well suited to growing conditions in Holletta.

Integrated Pest Management (IPM): A study by Bio-Bee Sde Eliya Ltd. confirmed that the application of a biological control on Ilan Tot Farm was successful. The farm used the predatory mite, Phytoseiulus Persimulus, supplied by Bio-Bee with financial assistance from USAID-ATEP. The study showed that the predatory mite has become well established at the farm, greatly assisting in the control of spider mites, which affect plant growth and fruit yields. As a result, the amount of chemicals (acaricides) used to control spider mites has been almost cut in half. The farm is a pioneer in commercial strawberry production, an emerging export industry in Ethiopia, and this successful intervention in IPM could benefit the whole industry.

SPECIALTY COFFEE

10th Coffee Stakeholders Forum Meeting: Discussions focused on the 2nd Round Table Coffee Conference, the 5th EAFCA Conference and Exhibition, the status of Q graders, the 2008 Ethiopia Limited Electronic Coffee Auction, the 2008 SCAA Conference and Exhibition (Minneapolis) and the next (second) Millennium Coffee Quality Training. It was decided to conduct the second Millennium Coffee Quality Training Program. A working group was established to plan this event.

Training and Technical Assistance: A series of training events were held at client farms. These were on coffee production, especially compost application techniques and sucker regulation on stumped coffee. Training reached 24 beneficiary farmers of Moplaco Plc, a USAID-ATEP lead client. Training on harvesting and processing of quality coffee was provided for 20 farm workers of Home Land Coffee Plantation. Further agronomy training was conducted at Gemadro Coffee, Gashaw Kifle and Green Coffee Plantations, all in SNNPR and Oromia regions. There was a focus on weed control, manuring and fertilizer applications. Initial indications show that there will be a good harvest this year.

Common Code for the Coffee Community (4C): Coffee Sector Manager Abayneh Alemu and Investment Advisor Bruck Fikru were certified after successfully participating in the 4C training of trainers course, and authorized to conduct 4C training courses on behalf of the 4C association. The training was organized by 4C in collaboration with the Eastern African Fine Coffees Association (EAFCA). 4C is an international organization aimed at improving sustainability in the worldwide coffee sector. The association is working with coffee growers, exporters, roasters,

retailers, NGOs, trade unions, associations and government institutions to raise the sustainability of the coffee sector socially, ecologically and economically worldwide.

HIDES, SKINS AND LEATHER

The HSL Team has continued its quality improvement and raw stock collection enhancement efforts throughout the regions in focus. We continue to communicate with many animal herders in the hinterland through speeches from experts, call outs in market places using megaphones and short presentations in public meetings, where senior community leaders usually attend.

The latest campaign used posters showing hand-drawn pictures that illustrated the chain of consequences resulting from untreated ectoparasite infections. Thousands were distributed to rural communities for posting in prominent places. They portray the messages in the three major languages of the country, Amharic, Oromifa and Tigrigna.

The posters were launched jointly by the Ministry of Agriculture and Rural Development (MoARD), the Ethiopian Leather Industry Association (ELIA) and USAID-ATEP. Dr. Berhe Gebre Egziabher, Plant and Animal Health Department Head for MoARD, called upon all stakeholders to follow this campaign with more farmer training.

OILSEEDS AND PULSES

Pulses: The Oilseeds and Pulses Sector has been conducting follow up visits and supervision at the Melkassa Agricultural Research Center (MARC) trial site prior to the Horticulture and Pulses Field day on June 28. We trialed four varieties of haricot beans (Awash Melka, Awash 1, Argene and Red Kidney Beans). Haricot bean producers and exporters (including farmers from Lume Adama and Bora Dembell farmers union, and Ziadeta Farm), Catholic Relief Service (CRS), Hararge Catholic services (HCS), and representatives of Quality and Standards Authority were able to assess the results.

USAID-ATEP helped fund production and distribution of 82 MTs of haricot bean seeds (Awash Melka, Awash -1, Argene and Red Kidney). Seeds have been a key constraint challenging the pulses sector, where availability of approved seed satisfies less than 10 percent of national demand. The seed was made available for sale through MARC to the Ethiopian Seed Enterprise, Farmers cooperative unions, selected NGOs and leading exporters. We hope to repeat this next year and increase plantings.

Oilseeds: The Millennium Sesame Production and Quality Training continued in Tahitay Adiyabo, Tigray Region as planned. The training was conducted in nine kebeles for 1,408 sesame farmers in collaboration with the Agriculture and Rural Development Office of the Woreda. In addition, training on HIV/AIDS prevention



Dr Kassa Bayou, Sector Animal Health Coordinator Speaking about ectoparasites at a social gathering in Menz



An ectoparasite campaign promotion worker gets the word out at market place in Menz, Amhara.



Visitors tour the trial site during the field day at Melkassa Agricultural Research Center.

and Malaria control was given to the participants by the Woreda Health Officer. Sesame production training was also given to 658 participants by Development Agents (DAs) who were trained by Yitbarek Liben, the oilseed agronomist for USAID-ATEP.

WAREHOUSE RECEIPTS SYSTEM

USAID-ATEP continued providing technical support to the Ethiopian Commodity Exchange (ECX):

- Assisted the warehouse manager and quality inspectors of Addis Ababa EGTE Warehouse on quality analysis and proper staking of the incoming grain. The Addis Ababa warehouse received 30 tonnes of first-grade processed white haricot beans and 30 tones of first-grade white maize, which were sold through the ECX.
- Facilitated the taking over of Ethiopian Grain Trade Enterprise's (EGTE) Nazareth warehouse to start its operations under ECX. Currently, this warehouse has received 300 tones of processed or screened grade 1 white pea beans and 71 tones of unprocessed grade 1 white pea beans.
- Finalized the draft warehouse operation manual in Amharic, for all the 5 EGTE warehouses that are now operational
- Participated in meetings with warehouse team and chief executive officer, to prepare the action plan for the coming harvesting season.

TRADE AND INVESTMENT

The Trade and Investment Team is assisting a new investor in the sesame sector, US-based Worldwide Food Source, with the development of their business plan. They have a local partner, Hewon's Export, with whom they plan to grow, clean and process sesame into high grade Tahina for export to the US. Plans are being developed that include financing from OPIC, a major US government-backed lending agent. The total investment envisaged is \$10 million.

Trade and Investment sector manager Ian Sherry visited the US this month, having been invited to give a presentation on investment potential in agribusiness in Ethiopia, to the annual CCA meeting in Chicago, The theme of the forum was "Investing in Agriculture - Links in Africa." He spoke about "Business Alliances" and the importance of creating business partners among the smallholder producers in Ethiopia. The concepts and tools were well received by a large audience from the US government and businesses.

Work continued with the Women's Entrepreneurs Group (WEG). Ten woman owned companies are being assisted with development of Strategic Plans, most of them have export business in the sectors covered by ATEP.

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