

MONTHLY UPDATE – October 2007

ETHIOPIA AGRIBUSINESS AND TRADE EXPANSION PROGRAM

“Increasing Rural Incomes and Employment”

NOTE FROM THE PROJECT DIRECTOR

After the euphoria of the millennium celebrations in September, this month we took stock of the progress we have made on the project, now exactly at the halfway stage, which is initially slated for three years. We are pretty well on track, with targets for impact nearing 60 percent of total. With staff fully trained, products and markets identified, and initial trial programs out of the way, we anticipate significant increases in export and domestic sales, investment, and client incomes in the coming months.

The following pages provide a summary of targeted activities at this point in the project as we continue to focus on increasing rural incomes and helping create new employment as all four sectors show good performance.



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

HORTICULTURE

In October horticulture sector activities had a sweet flavor with a particular focus on strawberries. Training for 14 participants from five lead client farms in strawberry production, postharvest handling techniques were conducted for production to begin in November.

Among our strawberry clients, Almeta Farm was assisted in redesigning its new packhouse, and Ilan Tot was helped in fulfilling requirements for British Retail Consortium (BRC) certification. In a major new marketing development, Ilan Tot was introduced to a buyer from Wellpak, one of the largest UK strawberry importers.

Also in October ATEP provided technical and other support for members of the Ethiopian Horticulture Producers and Exporters Association (EHPEA) to attend Horti Fair 2007 in Amsterdam. There were 47,000 visitors from 108 countries and the show confirmed its top position as the leading floriculture showcase in the world. The Ethiopian stand exhibited several new products and growers initiated negotiations with new buyers as the industry here continues to expand rapidly.



Photos Courtesy of Fintrac

Blooming and booming: USAID-ATEP is providing marketing and production support to strawberry growers in Ethiopia and recently connected a producer to a major UK importer.



This project is implemented by Fintrac Inc., a US agribusiness 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 cross cutting Trade and Investment activity on the program. For more information on USAID-ATEP, please contact:

USAID Agribusiness and Trade Expansion Program
“Increasing Rural Incomes and Employment”

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ATEP agronomists also kept their feet on the ground in terms of local market crops and assistance to smallholder schemes. Melaku Tedla, USAID-ATEP’s horticulture field advisor, produced technical bulletins on onions, tomatoes and other products.

We took on two new clients this month – Paulownia Farm and Jara Agro Industry in Billatie, SNNPR. These farms grow pumpkins, broom sorghum, tomatoes and paulownia. A third new client is Dibandiba Farm in Mojo, Oromia Region. They grow fruit and vegetables and work with 20 other beneficiary farmers.

SPECIALTY COFFEE

This month we provided training to five client processing sites at Yirgachefe and Sidamo. Wet mills were visited at several lead client sites including Moplaco natural coffee processing site, D.T.C wet mill, SMS wet mill, S.A Bagersh wet mill, and Genet Lemma wet mill.

Cupping training was organized for Wotona Boltuma co-op and Konga co-op in Yirgachffee, where two of the five project supported cupping labs are situated. Training was aimed at upgrading new cuppers to offer enhanced services. The benefits of positioning cupping labs in the production areas are now being seen in improved coffee quality.

Coffee sector agronomists provided technical support for three coffee plantations and demonstration sites (Mordocofe, Yohanis Hakako and Mamo Shanka). The technical recommendations covered nursery management, weed management, sucker regulation and soil fertility management practices.

Additionally, two training events were conducted on coffee production systems and coffee processing techniques for 13 trainees at Mordocofe coffee plantation in Shakiso, SNNPR.

The coffee team conducted the sixth ATEP-led Coffee Stakeholders Forum on Oct. 23. The report on the Millennium Coffee Quality Training Campaign was distributed to all participants and a discussion was held on the results of training achieved to date and further training needs for the future. The seventh Coffee Forum Stakeholders meeting will be held on Nov. 27, 2007.

HIDES, SKINS AND LEATHER

Negotiations have begun with the Oromia Regional government to train Community Animal Health Workers (CAHWs) in the region to provide fee-based treatment to livestock to prevent pre-harvest skin defects. An agreement has been reached with the regional government to conduct a survey and evaluate the possibilities of establishing hides/skins collection centers. The hides/skins collection centers will be similar to the 30 centers erected in the Addis Ababa municipal area. The hides/skins collection centers, which will dramatically increase the amount and improve the



Photos Courtesy of Fintrac

Crop row covers and a drip irrigation system is installed at Ilan Tot farms.



USAID-ATEP’s Teka Reda and field officer Selman Kiar plan for the seed multiplication program at Melkassa Agricultural Research Center.



Cupping training is conducted at the Wotona Bultuma co-op cupping lab.

quality of hides/skins collected for tanneries, will be inaugurated at the beginning of November.

We held a tripartite meeting with Rotary International and World Vision USA to discuss opportunities to collaborate and raise funds for the construction of further hides/skins collection centers nationwide, as well as training CAHWs. If we are successful in leveraging this funding from other donors, the Addis Ababa model for hides/skins centers will be replicated countrywide.

More than 32 companies visited the TAYTU “Made in Ethiopia” stand this month at Paris Trade Fair, “The Paris Sur Mode.” TAYTU received sample orders amounting to US\$15,000. In addition, TAYTU secured the first commercial order from Muesende Paris. It amounts to US\$14,000, and we anticipate further commercial orders from other parts of Europe in the coming months.

At the tenth conference of The Competitiveness Institute (CTI), in Portland, Oregon, HSL Sector Manager Teshome Kebede introduced our activities on the ongoing leather sector cluster development in Ethiopia. He then met with buyers at Nike, also in Portland, to discuss investment opportunities in leather manufacturing in Ethiopia. Nike tentatively agreed to follow-up this meeting with a visit to Ethiopia in 2008.

OILSEEDS AND PULSES

Planting at Melkassa Agricultural Research Center (MARC) in seed multiplication of haricot beans began this month. This initiative will result in improved seed varieties being made available to farmers in the Hararghe area. An agreement was reached to conduct a field day cost shared by the project, Melkassa and ACOS Ethiopia in March 2008.

We assisted the private company HEWONS to establish a hulling plant in Akakai, Addis Ababa together with World Wide Food Source and Sunshine International Food, the second largest sesame hulling company in the US. Once the factory starts operations, value-added sesame based products will be exported to international markets.

We continue to train 1,500 sesame outgrowers of lead client Kaleb Farmers House in Humera. This company is working with Netherlands-based Trading Organic Agriculture to produce organic sesame for the international market.

We have also been working with sesame growers in Metema, Amhara to establish an association, which will supply Prosper International. As reported in our June monthly update, the project awarded Prosper International to help co-finance the purchase of a hulling machine. This will enable them to export value-added sesame next year.

One of our lead clients, Zi-Andeta farm, achieved yields of more than 20 quintals per hectare on trials of haricot



Photos Courtesy of Fintrac

Ethiopian Ambassador to France Tadelech Haile Michael checks out the merchandise while visiting TAYTU's stand “Made in Ethiopia” at the Paris Trade Fair.

bean varieties - Awash Melka, Argene, Awash 1 and Red Kidney. These varieties will be supplied to farmer unions in surrounding areas and also to the Bureau of Agriculture and Rural Development of SNNPR. The project will continue providing training and technical assistance to Zi-Andeta's outgrowers. We are also supporting lead clients Warka Trading, AI-Impex Import & Export and Bio Ecoland (Mandora Ethiopia) to qualify for organic sesame sales to the international organic market after being certified.

TRADE AND INVESTMENT

Our efforts to organize haricot bean farmers into groups of small businesses continue in Eastern Hararghe. The Trade and Investment team conceived a strategy, which recognizes small-scale farmers in Hararghe as members of the private sector. As such, the small-scale farmers will be empowered to create wealth through the use of private sector ideas, thinking, and techniques. Central to this strategy is the establishment of a business plan. The team finalized the selection of a consultant in Dire Dawa, and the trainers who will be leading the efforts to organize the farmers. The selection of the three woredas (Kersa, Meta, Goro Gutu), with three pilot Kebeles in each woreda have been finalized and an initial round of introductory discussions and initial trainings were also given to the nine Development Agents (DAs) who will be

assisting the process. The training was aimed at introducing them to private sector techniques and preparing them to undertake their tasks for the next three months.

Discussions with a senior MoARD official on harmonizing efforts toward a common goal concluded that support needs to be provided to the Meki Batu Union in their efforts to develop a cold-chain system for fruit and vegetables. The Ethiopian Horticulture Producers and Exporters Association (EHPEA) is implementing a Common Fund for Commodities (Dutch funding) program to build an outgrower scheme in the same area, including cold chain development for the Meki area in Oromia. A follow-up meeting with the project head has been held, and USAID-ATEP will

provide organizational support in developing the outgrower scheme.

Following the sixth Coffee Forum held on Oct. 23, discussions were conducted to ensure that subsequent sessions of the Forum are more focused to ensure that stakeholders such as ECEA begin to lead the process. USAID-ATEP has recognized that it needs to keep up its role as facilitator while ensuring that the forum is able to stand and continue to flourish on its own.

Discussions with various potential investors were held, including with a firm that is currently a member of TAYTU and interested in diversifying into other agricultural export products.



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