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Agriculture Growth Program – Agribusiness and Market Development (AGP-AMDe)

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AGRICULTURAL GROWTH PROGRAM- AGRIBUSINESS AND MARKET
DEVELOPMENT (AGP-AMDE) PROJECT

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List of Acronyms

AAIFP	Alliance for Africa for Improved Food Processing
ACDI/VOCA	Agricultural Cooperatives Development Intl/Volunteer Oversees Cooperatives Assn.
AFCA	African Fine Coffees Association
AGP	Agricultural Growth Program
AGP-AMDe	Agricultural Growth Program-Agribusiness and Market Development
AGP-LMD	Agricultural Growth Program-Livestock Market Development
AMSAP	Advance Maize Seed Adoption Program
APS	Annual Program Statement
ARC	Agricultural Research Center
ATA	Agricultural Transformation Agency
B2B	Business to Business
BA	Barrier Analysis
BAP	Best Agricultural Practice
BCC	Behavior Change and Communication
BDS	Business Development Services
BH	Bako Hybrid
BoARD	Bureau of Agriculture and Rural Development
BP	Business Plan
CAADP	Comprehensive African Agricultural Development Program
CBE	Commercial Bank of Ethiopia
CBO	Cooperative Bank of Oromia
CEO	Chief Executive Officer
CIG	Common Interest Groups
CLU	Central Liquoring Unit
CN	Concept Note
COP	Chief of Party
CQI	Coffee Quality Institute
CSA	Central Statistics Authority
DAs	Development Agents
DCA	Development Credit Authority
DRRW	Durable Rust Resistance in Wheat
EAB	Ethiopian Apiculture Board
EAGC	East African Grain Council
EBA	Ethiopian Beekeepers Association
ECX	Ethiopian Commodity Exchange
ECEA	Ethiopia Coffee Export Association
ECEI	Ethiopian Coffee Export Initiative
ECGPEA	Ethiopian Coffee Growers, Producers and Exporters Association
EFC	Ethiopian Fine Coffees
EHBPEA	Ethiopian Honey and Beeswax Producers and Exporters Association
EIAN	East Coast Impact Angel Network
EIAR	Ethiopian Institute of Agricultural Research
EMA	Ethiopian Millers Association
ENGINE	Empowering New Generations to Improve Nutrition and Economic Opportunities
EPOSPEA	Ethiopian Pulses, Oil Seeds and Spices Processors and Exporters Association
FCA	Federal Cooperative Agency
FCUs	Farmer Cooperative Unions
FMHACA	Food, Medicine and Health Care Administration Control Authority
FOG	Fixed Obligation Grant (FOG)

FtF	Feed the Future
GAP	Good Agricultural Practices
GAIN	Global Alliance for Improved Nutrition
GoE	Government of Ethiopia
GRAD	Graduation with Resilience to Achieve Sustainable Development
GTP	Growth Transformation Plan
Ha	Hectare
ICT	Information, Communication Technology
JARC	Jimma Agricultural Research Center
JRIS	Joint Review and Implementation Support
KFBPMFCU	Kaffa Forest Bees Product Marketing Farmers Cooperatives Union
Kg	Kilograms
LC	Letter of Credit
M&E	Monitoring and Evaluation
MFI	Micro Finance Institutions
MoA	Ministry of Agriculture
MOFED	Ministry of Finance and Economic Development
MoT	Ministry of Trade
MOU	Memorandum of Understanding
MSP	Multi-Stakeholders Platform
MTs	Metric TonsNBE National Bank of Ethiopia
NCA	National Coffee Association
NGOs	Non-Governmental Organizations
OARD	Office of Agriculture and Rural Development
P4P	Purchase for Progress
PCs	Primary Cooperatives
PEPFAR	President's Emergency Plan for AIDS Relief
PERSUAP	Pesticide Evaluation Report and Safer Use Action Plan
PFS	Partners in Food Solutions
PHH	Post-Harvest Handling PLC
	Private Limited Company
PMP	Performance Monitoring Plan
PRIME	Pastoralist Areas Resilience Improvement and Market Expansion
Qt.	Quintal
RCA	Regional Cooperative Agency
SACCO	Saving and Credit Cooperative
SCAA	Specialty Coffee Association of America
SHF	Smallholder Farmer
SMEs	Small and Medium Enterprises
SMFM	Sell More for More
SNNPR	Southern Nation Nationality and Peoples Region
SSRWE	Sustainable Support for Rural Women Entrepreneurs
TMF	Tigray Marketing Federation
TOH	Taste of Harvest
TOT	Training of Trainers
TWG	Technical Working Group
VC	Value Chain
USAID	United States Agency for International Development
USD	United States Dollar
WFP	World Food Program
WG	Working Group

Executive Summary

This report covers the period of October, November and December 2013, and describes the export focused activity, progress in domestic cereals markets and high-level visits as well as the results of the AGP-AMDe project.

Global Opportunities for Exporters at ANUGA Trade Fair

ANUGA is the largest food and beverage fair in the world attended by over 6,500 companies from 100 countries with over 155,000 trade visitors from 180 countries. ANUGA was in October and participants included: EPOSPEA, Tsehay FCU, Oromia Coffee FCU, Green Coffee PLC, Kafta Humera Cooperative, DIPASA Agro Plc, and the AGP-AMDe export team. The export team prepared the participants in advance to ensure they were well prepared and to effectively interact and establish export linkages. At the ANUGA show, there were meetings with 30+ buyers in the sesame, chickpea and honey sectors.



Ethiopian Coffee Exporters Association Focuses on the Future & Global Markets

More than 320 delegates participated in the 2nd Annual Conference of the Ethiopian Coffee Exporters Association (ECEA) in November. Opening remarks made by the US Ambassador, the Executive Director of the International Coffee Organization, and the President of the Federal Democratic Republic of Ethiopia. Presentations made by major buyers (Starbucks, Mondelez, Nestle), Ethiopian government and industry representatives (MoT, MoA, JARC, ECEA, ECX, etc), and other coffee industry thought-leaders. Topics of special interest included: Building Traceability, Women in Coffee, Country experiences, improving quality standards, and more.



High Level Delegation Visit Becho-Weliso FCU

High level delegates from ONE Board of Directors visited Becho Weliso FCU, a model chickpea farmer and a cascaded post-harvest training of farmer trainers. The beneficiary chickpea farmers explained the benefits from the chickpea intervention. At Becho Weliso, ONE founders Bono and Jamie Drummond, and CEO Michael Elliot visited the PP Bag factory and enjoyed a traditional coffee ceremony, while discussing the successful expansion and challenges of the Becho Weliso FCU. Becho Weliso was also visited by the new Ethiopian President and regional President in November 2013.



Ethiopian Pulses and Spices Processors and Exporters Association Hosted Industry Leaders from Around the World

More than 460 Ethiopian and international buyers, processors, exporters, invited guests and government officials from around the world attended the Third International Conference on Pulses, Oilseeds, & Spices in November. The conference was opened by the Deputy Prime Minister and Minister of Communication, Debretsion Gebre-Michael, Minister of Trade, His Excellency Kebede Chane, Chamber of Commerce President, Mulu Solomon, USAID Mission Director Dennis Weller as well as EPOSPEA President Haile Berhe. In addition to sponsoring the conference through a grant to ESPOSPEA, USAID AGP-AMDe partnered with the Federal Cooperative Agency to sponsor 10 export ready cooperative unions to meet international buyers and expand export opportunities at the event.



5th African Grain Trade Summit focused on Global Investment in Grain Trade.

Five AGP-AMDe delegates participated in the African Grain Trade Summit in October in Kenya, organized by the new Ethiopia Chapter of the East African Grain Council (EAGC), a regional partner. Participants were from 22 African countries and represented public and private sector institutions engaged in processing, production, transport & logistics, clearing and forwarding agencies, banking, trading, insurance and research. Conference delegates secured business linkages.

The **coffee value chain** delivered incremental sales of \$1.2M USD, generated 175 jobs through nursery activities and provided 35,369 beneficiaries of AGP-AMDe assisted coffee value chain programs during this quarter. During this quarter, Sell More For More (SMFM) training was done or cascaded to 8,981 smallholder farmers and government officials/experts. This training will contribute to the production of higher value specialty coffees.

The **sesame value chain** successfully introduced Sesame Humera - I and Setit - I varieties to smallholder and commercial farmers using demo sites through technical support, experience share and field days, competing with the local seeds and traditional practices, have created awareness of using improved varieties with fertilizer application. The 128.26mt of improved sesame seed will be bought by Tsehay FCU/Amhara and ESE/Tigray Branch respectively, and will cover 32,065ha of land which will also help over 16K sesame producers. The team facilitated approval of \$15.3M USD agricultural and rural loans. SMFM training was completed and cascaded to 7,480 smallholder farmers and government officials/experts in Tigray and Amhara. AGP-AMDe facilitated the transfer of the four completed sesame warehouses, each with a 5,000 MT storage capacity and a total investment of USD \$2,106,643, to the four largest sesame producing FCUs in Amhara and Tigray.

The **chickpea value chain** successfully implemented a SMFM training on PHH for lead and small holder farmers and management training to primary coop and union staffs at 26 primary cooperatives in 6 selected FCUs in Oromia and Amhara region. This resulted in 149 (81 from Oromia and 68 from Amhara) lead farmers trained as TOT trainers and cascading to 7,206 smallholder farmers (3550 female farmers). In addition, entrepreneurship training was given to 47 participants, 32 women and 15 youths in Oromia region. Another major achievement was the MoU signed between Guts Agro Industry, the well-known nutritional food processing company, and Lume Adama and Becho Wolliso FCUs for the first 2000 qtls of Kabuli chickpea from the coming harvest. Finally, 3,118 farmers applied new technologies or management practices to improve the quality of their production.

The **honey value chain** cascaded SMFM training in all project regions, from 32 honey producers and marketing coops 8,073 farmers were trained on honey quality improvement and PHH applying SMFM training methodology. Pre -audit assessment was conducted in 10 Zembaba Union member primary cooperatives for Fair Trade certification. 20 honey samples from Tigray region, randomly collected from beekeepers sent to Ethiopian Quality Assessment Conformity Enterprise for laboratory test. Eight Ethiopian honey exporters, processors, FCUs, MoA and MoT, and EHBPEA exhibited together with EAB and the Dutch-funded ASPIRE partners in the African Pavilion organized by Apitrade Africa at Apimondia in Ukraine in October. Numerous business linkages were made with international buyers and suppliers. Parodi Apiculture, one of the biggest honey and beeswax traders and processors in the world had numerous meetings with the Ethiopian delegation and intend to finalize contracts with more than four Ethiopian suppliers, including Zembaba Union, Oromia Union, Green Coffee PLC, Beza Mar and others. Another large German buyer visited three regions and honey processors to begin sourcing Ethiopian honey as a result of contacts made at ANUGA in November 2013.

The **maize value chain** successfully implemented technology transfer activities for three hybrid maize seed varieties, which were demonstrated and popularized in 25 maize producing woredas. The AGP-AMDe maize value chain programs facilitated approval of **\$1,442,105 USD** agricultural and rural loans and provided programs for more than 19,656 beneficiaries in this quarter. The AGP-AMDe capacity building programs encompassed 16,175 beneficiaries with SMFM contributing the majority through facilitating skill transfer to lead and follower farmers.

The **wheat value chain** delivered incremental sales of \$198K USD and facilitated an agreement between Ethiopian Grain Trade Enterprise (EGTE) and four FCUs to supply 1800MT of wheat over a two month period. The team facilitated approval of **\$526,316 USD** agricultural and rural loans. Successfully implemented SMFM training with 90 farmer leaders selected from ten wheat producing FCUs in Oromia, Amhara, and SNNPR. SMFM training was then cascaded to 9,376 farmers (3,994 females). In addition, input demonstrations and field days were conducted on improved wheat crop at Sinana, Agarfa and Gasara woredas of Oromia and other regions in FTC and on farmers' fields. As a result, 3,036 farmers applied new technologies or management practices to improve the quality of their production.

Inputs team responded to increased demand for quality seed of superior varieties, multi-nutrient and briquetted fertilizers in collaboration with AGP, MoA and ATA. In the last quarter, 1,676 hectares were under improved seed and fertilizer technologies for chickpea, wheat, sesame and maize. Specifically, the new Multi-Nutrient Blended Fertilizer technology on chickpea and two crop varieties (chickpea/Arerti and Sesame/Setit I) were demonstrated and multiplied respectively in Amhara, Tigray and Oromia. 29 FCUs, Seed Producers and Commercial farms received technical training on seed multiplication and agricultural input handling, utilization and marketing in Oromia and Tigray regions. 8,879 (1,250 women) beneficiaries received agricultural input utilization training, attended farmers' field days on multi-nutrient and urea briquette fertilizer demonstrations and received grants for chickpea seed multiplication in all regions. Further, 13 MoA, ATA experts and FCU Managers were sent on an international bench-marking trip to Malawi and Zambia to understand processing requirements as well as challenges and opportunities of running fertilizer blending factories as a business, which is ground-breaking transformation in Ethiopia.

In Improving Access to Finance, the AGP-AMDe team assisted 43 FCUs and PCs in negotiating loans with financial institutions for working capital and project financing amounting to \$67.2M USD, of which \$36.2M USD has been approved and \$23.9M USD disbursed. AMDe helped secure a USD

200,000 investment into METAD, an Ethiopian specialty coffee company by members of the East Coast Impact Angel Network (EIAN). Additionally, one alternative financial product was promoted among 4 FCUs and 97 MSMEs members of FCUs SACCOs and other stakeholders received business development services in improving their capacity accessing financial services.

In Improved Business Enabling Environment, the following outcomes were achieved:

- International comparative analysis of the new seed proclamation and draft seed regulations and presented it to public sector and private sector representatives
- Report on fertilizer procurement and distribution strategy to improve the efficiency of the fertilizer supply chains
- Comprehensive draft paper on price policy for cereals including wheat subsidies and cereal export ban, including a set of Focus Groups field studies and a report on cereals price policy
- Organized study tour to South Africa, Colombia and Brazil for ECX Board and management for benchmarking international warehouse best practices to inform the separation of ECX warehouse system from that of ECX trading platform

In Innovation Fund 20 new grants worth \$2,626,690 were awarded in this quarter. Of the \$14.2M AGP-AMDe Innovation Fund, AGP-AMDe has awarded 58 cost-sharing grants worth \$6,404,614 of which \$2,718,960 has been disbursed to date. Grants amounting to \$6,156,592 are in the process of approval, and grant applications amounting to \$2 million USD are in the final assessment pipeline.

Nutrition completed the development of the nutrition Sell More 4 More (SMFM) Training module and the training strategy. Nutrition experts conducted two TOT trainings with Home Economics Agents, one in SNNPR with 18 trainees (9 women) and the other in Oromia with 19 trainees (14 women). All the trainees were provided with facilitator’s guide, technical guide and planning book. In addition to these, each of them were given 22 STICKS (Scalable Tracker for Imparting Certified Knowledge and Skills) developed both in Amharic and Oromifa languages to be used to cascade training.

Behavior Change Communications developed gender leaflets to complement the gender poster. 1,310 leaflets and 1,415 posters were distributed to farmers, cooperative and union management members, and regional government officials during general assembly meetings, trainings, and events organized by unions in Amhara and Oromia during December. 860 leaflets and 1030 posters were distributed in Amhara while 450 leaflets and 385 posters were distributed in Oromia.

Gender Campaign Poster and Leaflets



In **Gender**, the groundwork was completed to launch the Women's Agribusiness Leadership Network (WALN) during this quarter. The selection criteria and application forms were finalized and WALN information sessions were conducted in each region. 54 women have applied for the program, to date, and the submission deadline has been extended to mid-February, 2014.

ICT/Knowledge Portal working group agreed that MoA should host the Knowledge Portal and contribute to site development and maintain the site. The AGP-AMDe ICT Advisor carried out a feasibility study of infrastructure and resource requirements to transfer the AGP Knowledge Portal to MoA. Meanwhile the Knowledge Portal is live at www.ethioagp.org

Regional Performance Summaries

AGP-AMDe Amhara achieved significant results in the reporting quarter as follows:

- **Proper PHH:** During the last quarter SMFM PHH training was given for more than 17,000 farmers on five value chains. This training has a great impact on increasing the competitiveness of commodities since farmers follow the recommended procedures on harvesting their produce and handling it properly after the harvest.
- **Storage capacity is increased by 10,000 MT:** The two warehouses constructed for Metema & Selam FCUs are open & operational during the quarter.
- **Secured sesame export sales:** Metema FCU collected international quality standard sesame from farmers, cleaned it and exported 600 MT to Maviga.

AGP-AMDe Oromia achieved the following results:

- **Nearly 35,000 beneficiaries supported** by AGP-AMDe programs across wheat, coffee and honey value chains.
- **Almost 15,000 direct beneficiaries received assistance**, across wheat, maize, coffee, chickpea and honey value chains-mainly smallholder farmers
- **More than 3,100 farmers applied new technology** or management practices in wheat, chickpea and honey value chains.

AGP-AMDe SNNPR delivered the results below:

- **SMFM PHH training of trainers** was conducted for all VCs with 233 (16 women) lead farmers, Woreda experts and DAs aiming to decrease post-harvest losses to meet specific requirements of the buyers. The same training cascaded by lead farmers at Kebele level and delivered to 7,167 (2,602 Female) small holder farmers. In addition, SMFM management training was given to 63 (12 Female) cooperative leaders and staffs.
- **Honey VC provided market linkage to Kaffa FCU with trader.** The trader purchased 100 kg of honey sample from the union intending to send abroad. This partnership offers the union an opportunity to sell more than 80 tons of honey. In addition, Kaffa forest bee product and marketing FCU sold more than 973 kg of honey for domestic market. Honey VC multi-stakeholder meeting carried out jointly with GRAD, another USAID funded project.
- **Certification of Hawassa and Dilla ECX quality labs** to develop quality platform including standards alignment, quality program and establishing electronic traceability system for periodic assurance of testing to meet the Specialty Coffee Association of America certification standard requirements.

- **Four Farmers' field days were conducted** on wheat fertilizer omission demonstration trial carried out at FTC and Farmers plot in four woredas. On the field day the importance of blended fertilizer on yield increments was introduced to 1,310 (166 female) field day participant (lead farmers, DAs, FCUs, Deputy Head of BOA, expert from Wolkite soil testing laboratory, Zone Agricultural Department head & vice president of Zonal Administration, AGP-AMDe and Zonal & Woreda Agricultural Experts).
- **Over Birr 37.4 million loan were granted** for Admas, Sildama Elto and Edget FCUs in the quarter.

AGP-AMDe Tigray achieved the following results:

- **8,208 beneficiaries trained** as part of the cascading training program, which was the main focus of the quarter. As part of capacity building, 24 (16 women) beekeepers and government staff visited various honey producing organizations.
- **3 Business to Business meetings were conducted** in the 3 value chains where 63 (6 women) participants from different stakeholders were involved.
- **26,061 quintals of sesame and 2411.56 quintals of wheat** was collected by FCUs and PCs to be delivered to local and export market and 163 tons of crude honey is sold at local market. One primary cooperative and an FCU were sponsored to popularize their honey products at a city expo organized in Bahir Dar. Twenty honey samples were also collected and sent to laboratory for quality assessment.
- **Successfully implemented demonstration of fertilizer applications and multiplication** of improved wheat and sesame seeds. In view of this, seed multiplication program was introduced at 14 sites (5 seed multiplication cooperatives and 9 commercial farms) and 3,607 quintals of wheat (from 113.4 ha) and 196 quintals of sesame (from 80 ha) improved seeds were collected that is expected to have an enhanced coverage of improved technologies for the upcoming production season. Twenty demonstrations were implemented for improved fertilizer trial (11 sesame and 9 wheat) in which soil sample and Geo-spatial data was collected and analyzed prior to implementation. Farmers' field days were organized in both value chain areas to demonstrate the new technology and 274 (76 F) participated in the events.
- **449,430,000 birr rural loan was approved** for 7 FCUs, 1 PC and TMF which was facilitated by the project and around 216,780,000 birr loan is already disbursed to the cooperatives. In line with improving the access to rural finance, a workshop on risk financing with 24 (1 woman) participants, a training on bankable business plan preparation for 23 (3 women) participants and trainings on SACCO saving mobilization, financial statements, risk analysis and cash management to 50 (11 women) participants have been carried out in this reporting period.
- **Handover of the 2 5,000 ton warehouses constructed at Dansha and Setit Humera FCUs** was completed, with the presence of the regional government authorities.