

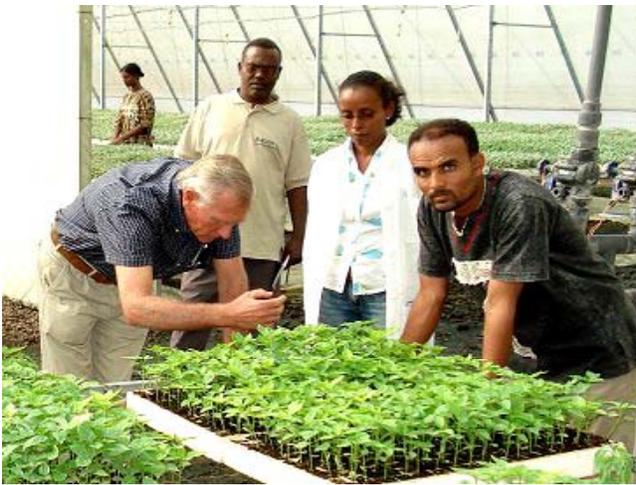


**USAID**  
FROM THE AMERICAN PEOPLE

## QUARTERLY REPORT 05 – April to June 2007

# ETHIOPIA AGRIBUSINESS AND TRADE EXPANSION PROGRAM

*“Increasing Rural Incomes and Employment”*



*This publication was produced for review by the United States Agency for International Development. It was prepared by Fintrac Inc. under IQC #EDH-I-00-05-00007-00, Task Order 01 (663-T-06-001)*

### **USAID Agribusiness and Trade Expansion Program**

Ki-AB Building, 4<sup>th</sup> Floor | Alexander Pushkin Street | P.O. Box 70696 | Addis Ababa, Ethiopia  
Tel: (251) 011-3720060 | Fax: (251) 011-3720102 | <http://www.ethiopiaag.org> | [www.fintrac.com/ethiopia](http://www.fintrac.com/ethiopia)

## Table of Contents

1. Executive Summary .....	1
2. Introduction .....	1
3. Progress to Date .....	3
3.1 PMP Section 1: Startup, Communications, and Reporting .....	3
3.2. PMP Section 2: Monitoring & Evaluation Activities .....	3
3.3. PMP Section 3: Marketing and Investment Activities .....	3
3.4. PMP Section 4: High-Value & Added Value Horticultural Program .....	4
3.5. PMP Section 5: Coffee Program .....	5
3.6. PMP Section 6. Hides, Skins & Leather Program.....	6
3.7. PMP Section 7: Oilseeds and Pulses Program .....	8
3.8. PMP Section 8: Policy Intervention Activities .....	9
3.9. PMP Section 9: Other Cross Cutting Activities .....	10
3.10. PMP Section 10: Global Results Targets .....	11
4. Planned Activities for Next Reporting Period .....	11
5. Project Expenditures.....	1
Annex I:	Updated Workplan/Performance Monitoring Plan, Version 11
Annex II:	Monthly Bulletins: April, May, June 2007
Annex III:	Market Updates: Value Chain Analysis for Bobby Beans, Value Chain Analysis for Peas, Summer Flowers, Fresh Cut Roses

## 1.0 Executive Summary

This is the fifth quarterly report for the USAID Agribusiness and Trade Expansion Program (the project) covering the period April to June 2007. Work under the project is improving farmer yields, domestic and export sales, employment and investment in four agribusiness sectors: horticulture; coffee; hides, skins and leather products; and oilseeds & pulses.

Major project achievements this quarter include:

- **\$171 million of export sales increases** in target sectors from a pre-project 2005 baseline reported by Ministry of Trade and Industry through our fifth quarter of operation in June 2007.
- **\$1.2 million in new investment** by project clients to date (inclusive of \$811,825 leveraged by ATEP Partner and Technology Funds, or \$2.52 cost-shared by the private sector for every project Fund dollar expended).
- **\$2.1 million in loan approvals** to date, \$1.73 million in the last three months alone.
- **75% decrease in ectoparasite infestation** of hides in selected pilot project areas following treatment.
- **8,583 hectares of coffee production Rainforest-Alliance certified** for five cooperatives.
- **Four coffee cooperatives BCS-certified.**
- **Two new flower products** introduced (delphiniums and plant cuttings).
- **Horticultural packaging plant expansion** built out in business plan & loan package.
- **Sesame processing plant expansion** built out in business plan & loan package.
- **Export promotion launch for high-end leather goods** launched through joint efforts of project and UNIDO.
- **Design of four packhouses** completed.
- **New commercial market linkages** leveraged through horticultural inward buyer missions and cost-shared attendance and exhibition at Specialty Coffee Conference.

Technical assistance, technology transfer and training also continued across all four sectors this quarter. Project expenditures are also on target. To date, \$4,038,834, or 73 percent of the current obligated amount of \$5,500,000 has been expended.

Annexes to this report include an updated PMP, and three monthly project bulletins. Please note that these, and all other project publications (including four recent training documents for oilseeds and pulses) are available to USAID through the password-protected ATEP intranet site: [www.fintrac.com/ethiopia](http://www.fintrac.com/ethiopia).

## 2.0 Introduction

The Agribusiness and Trade Expansion Program (the project) is a three-year initiative of the United States Agency for International Development (USAID) that is improving the productivity and sales of thousands of farmers, processors and traders in Ethiopia. Its primary goals are improving international, regional and local market sales and increasing investment; employment, and incomes.

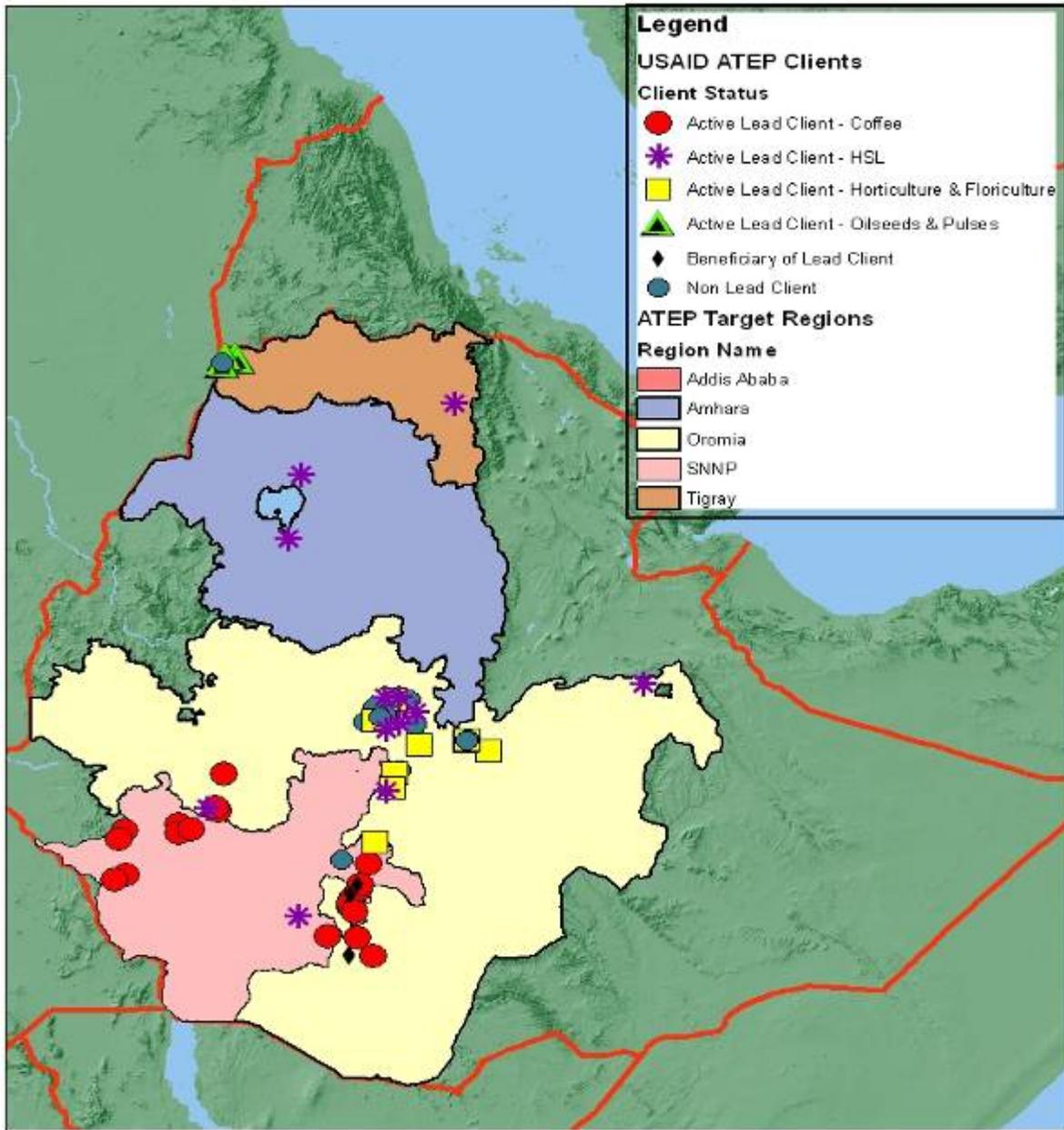
The project focuses on four agricultural sectors: horticulture; coffee; hides, skins and leather (HSL); and oilseeds/pulses. It also addresses cross-cutting issues in trade & investment, policy, organizational development, BDS/partner alliances, gender mainstreaming, environmental management, and HIV/Malaria. Its geographic coverage includes Tigray, Amhara, Oromia, and the SNNPR.

Each of the four sectors is assigned a manager, and several technicians, to lead activities, and a fifth trade and investment unit provides cross-cutting support in business planning and financial management. Project technicians work directly with dozens of lead clients in each sector (cooperatives and other producer groups, processors, exporters), training and transferring technologies, and good agricultural and manufacturing practices. Outreach is augmented by industry consultants, and further leveraged through training of trainers from trade associations and government agencies, and BDS/GDA alliances with local and international partners. The end result is that thousands of smallholder beneficiaries and related stakeholders are improving yields, product quality, sales and incomes, creating sustainable growth within the agribusiness value chain.

Targets for this three-year program are:

- Horticulture Sector
  - Export sales of horticulture products increased by \$129.17 million
  - Client and counterpart investment in new technologies of \$15 million
  - Increased sales by assisted farmers of 100 percent above baseline
  - Increased yields by assisted farmers of 100 percent above national average
- Coffee Sector
  - Export sales of coffee increased by \$209 million
  - Export sales of specialty coffee increased by \$57 million
  - Client investment in new technology increased by \$1.6 million
  - Increase in yields by assisted farmers of 25 percent
- HSL Sector
  - Reduction by 15% in number of skins affected by ectoparasites
  - Client and counterpart investment increased by \$5 million
  - Increase in value of HSL exports by \$48 million
- Oilseeds/Pulses Sector
  - Increased value of oilseed exports by \$71 million
  - Client and counterpart investment in new technology increased by \$1 million

# USAID ATEP Clients - Quarterly Report #5



Map showing GPS co-ordinates of clients by sector

### **3.0 Progress to Date**

This section provides a summary of activities carried out in each sector, pegged to the performance monitoring plan (PMP) approved by USAID and the Project Steering Committee (Annex I)

#### **3.1 PMP Section 1: Startup, Communications, and Reporting**

Project reporting this quarter included three Monthly Bulletins distributed to USAID, Steering Committee members, and counterparts in the target sectors. The Performance Monitoring Plan was updated as of June 30<sup>th</sup> 2007. Financial reports on monthly expenditures against the obligated budget were submitted with each monthly invoice. These reports along with the updated inventory list, approved Partner and Technology Fund agreements and expenditures, and Level of Effort reports are all available at the project's intranet site: [www.fintrac.com/ethiopia](http://www.fintrac.com/ethiopia)

#### **3.2. PMP Section 2: Monitoring & Evaluation Activities**

Project managers and sector teams continued to input information into the project's Client and Impact Results Information System (CIRIS), including client baseline information, technical assistance and training activities, and client sales and investments achieved to date. CIRIS reports can also be downloaded at the project's Intranet site: [www.fintrac.com/ethiopia](http://www.fintrac.com/ethiopia)

#### **3.3. PMP Section 3: Marketing and Investment Activities**

The Trade and Investment Team supports the technical and marketing efforts of the four sector teams by providing clients with market information, trade mission support, and business planning/loan applications with the three private Ethiopian banks participating in the USAID Development Credit Authority (DCA) loan guarantee program.

##### ***Market Information***

The fourth group of Quarterly Market Bulletins for each of the four targeted sectors is under development and will be finished in mid-August 2007. These bulletins are developed in cooperation with the four main counterpart associations for each targeted sector: The Ethiopian Horticulture Producers and Exporters Association (EHPEA, 66 members), Ethiopian Coffee Exporters Association (ECEA, 65 members), Ethiopian Leather Industry Association (ELIA, 40 members), and the Pulses, Oilseeds & Spices Processors Exporters Association (EPOSPEA, 42 members).

Four market updates were finalized and distributed during this quarter, including Value Chain Analysis for Bobby Beans and Peas, Fresh Cut Roses and Summer Flowers.

##### ***Business Planning & Loan Applications***

To date, the T&I team has helped current and prospective clients develop a total of 15 business plans, with 16 additional under development, including feasibility studies for the production and value-added processing of crops in the targeted sectors. Business plans developed this quarter were completed for Warka Trading PLC and DFT Packaging PLC.

Also this quarter, three clients received approval for loan applications developed with project assistance. Total loan value was \$1.73 million. These included Blen Development (\$427,359

approved), DFT (\$766,000), Prosper International (\$538,564 approved). This raises the number of successful client loan applications to 5, with combined value of \$2,134,046.

### ***Trade Missions and Special Events***

In May, the project co-financed the attendance and exhibition of the Ethiopian Coffee Exporters Association (ECEA) at the Specialty Coffee Association of America conference in Long Beach, California, to promote the country's wide range of specialty coffees.

A networking evening was held at the USAID-ATEP offices for new local investors; foreign direct investors including representatives of the Alamoodi group; Dutch and Israeli investors; Dutch buyers of fresh produce; and BDS suppliers including Maersk/Safmarine shipping and Irrigation and chemical suppliers. Counterparts from Royal Netherlands Embassy and EHPEA were also in attendance.

The Minister of Trade and Industry, Ato Girma Birru, visited the Omega Farms snow pea trial and confirmed his support for the project's partnership with EHPEA in promoting vegetable exports. US Ambassador Donald Yamamoto expressed similar support and appreciation for USAID-ATEP's work during his visit to the summer flower production site at Chancho Flowers.

### **3.4. PMP Section 4: High-Value & Added Value Horticultural Program**

The project continued its intensive training and technical assistance activities with lead clients and beneficiaries in support of floriculture and vegetable exports as well as local market supply of vegetable crops to fresh and processing buyers.

#### ***Clients***

To date, 19 lead clients (producers, farmer groups, exporters, etc.) and 397 beneficiary farmers working directly with lead clients are receiving ongoing technical assistance and training from the program's horticulture field technicians. Export crops include Bobby beans, snow peas, sugar snap peas, baby corn, chillies and courgettes. Major crops produced for the domestic market include tomatoes, onions, cabbage, chillies and watermelons. Three new clients were also taken on this period.

#### ***Technical Assistance***

Project technicians have carried out 624 technical assistance visits to client farms to date focused on increasing yields, sales and incomes. Technical assistance during this quarter was geared towards supporting export trials of the aforementioned crops with buyers in the UK and Holland. Program technicians also carried out four design plans for packhouses and collection centers, provided in conjunction with technical assistance in harvesting, grading, sorting, and



*Agonomist from Tabor Herbs receiving advice on chilli production from representative of BDS partner Prime Seeds.*

packing. In addition to the vegetable trials, ongoing assistance continued for floriculture clients exporting roses and carnations to the EU market, focusing on drip irrigation systems and postharvest handling.

### ***Training***

Field days carried out this period provided farmer groups with training in improved production, postharvest handling and GAP protocols. Twelve (12) demonstration farms have been established for trials for new varieties of local vegetables at lead client farms. A total of 69 on-farm production training events have been carried out to date for 590 farmer participants. A further 33 participants received training in postharvest handling, while 158 farmers have received training in the safe use of chemicals.

In June, the Ethiopian Horticultural Producers and Exporters Association (EHPEA) launched the National Code of Practice for floriculture, which includes many recommendations on Integrated Pest Management for which the project has contributed training. It was officially launched by Deputy Prime Minister and Minister of Agriculture, Ato Addisu Legesse.

### ***Export Market Development***

The project hosted inward buyer visits from Exotic Farm Produce and Bomfords of the UK, and Hage BV of the Netherlands. The first shipments of mangetout and sugar snap peas to the UK took place from the high altitude trial site at Chancho Farms in Oromia.

Under the EUREPGAP program, a total of 5 lead client producers have achieved certification, and 28 individuals from these companies have received advanced training.

### **3.5. PMP Section 5: Coffee Program**

Coffee activities this quarter focused on preparing for a large month-long training campaign to begin in July in Oromia and SNNPR with the Coffee Industry Forum; export promotion activities at the SCAA exhibition in Long Beach, California, a workshop on export marketing and contracting; and certification of coffee farms under the Rainforest Alliance protocol.

### ***Clients***

The coffee program is working with 25 lead partners in the coffee sector, comprised mostly of coffee millers and exporters. 16,037 beneficiary farmers are supported through these lead clients.



*Ethiopian exhibition at the Specialty Coffee Association of the Americas conference in California.*

In April, the project organized the 3<sup>rd</sup> Coffee Industry Forum, which was attended by 40 people from private and public sector as well as donors. The agenda covered efforts to enhance compositeness, and identify areas for further development of the sector, including the aforementioned training campaign in Oromia and SNNPR.

### ***Technical Assistance and Training***

The majority of USAID-ATEP technical assistance for coffee farmers is provided through group trainings at lead client locations, including cooperative farms and coffee mills. A total of 27 training demonstration sites have been established in the western and southern producing areas for these purposes.

Three coffee bulletins have been produced to date on: Processing and Harvesting; Agronomy Practices; and Mulching. A total of 144 technical assistance visits have been made to lead client farms, and 32 training events carried out for 291 farmer beneficiaries. Trainings this quarter focused on compost application (DTC), pruning, and other agronomic practices at DTC, Amarogayo, Gemadro, Dedessa. The number of trainees will expand significantly next quarter with the month-long training campaign in Oromia and SNNPR. Training will focus on the current stage in the production cycle which is postharvest practices, in order to help farmers select better quality berries at correct levels of maturity.

In May, Coffee Corps Volunteer Al Liu from Alterra Coffee in Milwaukee provided training to 17 coffee exporter members of ECEA on specialty markets, organic certification, and marketing.

### ***Cupping Activities***

In Yirgacheffe area, two events were held to advise on quality principles and achieving a strong cupping score. This was attended by client beneficiary farmers and representatives of MoARD, and was followed up by visits to the two project-established cupping labs in Konga and Woltona Butuma. New cuppers will also be trained in July to replace those who have left.

### ***Certification***

Consortium partner Rainforest Alliance has continued with certification activities focused on environmental and worker welfare issues. Attendees at RA events have included exporters, MOARD and other stakeholders. The group has, to date, certified 8,583 hectares on 5 farms, with plans in the works to certify an additional 6,354 hectares on 6 additional client farms when certification requirements have been met.

BCS organic certification for clients Amarogayo, DTC, IPS, Sibu Ebba continues for the current season, which will benefit an estimated 3,747 coffee farmers.

## **3.6. PMP Section 6. Hides, Skins & Leather Program**

The HSL component continues its field-based training of sector technicians in order to improve the quality of skins and add value to their sales. Project technicians are also working with abattoirs, tanners and traders in improving the processing and marketing of HSL products.

In April, the 4<sup>th</sup> Leather Cluster meeting was facilitated by ECG consultant Ted Lyman. "Champions" for each area of the value chain were selected and assigned tasks. Government

and private sector representatives are consequently working together to address major constraints to the industry.

### ***Clients***

USAID-ATEP clients in the HSL sector include all members of the value chain: producers, abattoirs, tanners, traders and finished product manufacturers. As of the end of this quarter, a total of 44 lead clients are receiving technical assistance and training, representing thousands of beneficiaries. In addition, the project is working with local counterparts such as the Ethiopian Leather Industry Association (ELIA) and LLPTI, as well as counterparts UNIDO, World Vision, and other donor-funded programs active in the sector.

### ***Technical Assistance and Training***

The HSL team continued the training of Woreda-level trainers in ectoparasite control and improved skinning/flaying techniques. The objective of these trainings is to enable rural veterinarians to help producers improve the quality of their hides and skins leading to reduced product rejection rates at tanneries. To date, the project has held 26 trainings for 540 technicians in the area of ectoparasite control, and 35 trainings for 764 slaughterhouse staff, and 365 collectors and traders. ELIA has contributed \$25,000 to the ectoparasite campaign.

From our recently completed baseline study over 22 tanneries, it was shown that there was 75% defect rate pre-mortem (ectoparasites and branding) and a 12.5% post mortem defect rate (knife cuts, preservation problems).

From the Lalogera treatment project, it was shown that, after two treatments, the ectoparasite infestation rate decreased from 80% to 5%. Efforts to provide a commercial-based system of treating rural animals to avoid infestation are currently under development.

### ***Export Market Development***

Further discussions have taken place with UNIDO and the project has agreed to assist in marketing the TAYTU line of high fashion leather goods in the US market, and also to assist the existing UNIDO effort in the EU market. TAYTU's line of high end leather products will be featured at trade shows in New York in September and Paris in October. The group is also receiving capacity-building assistance from the project.

### ***Supply Chain***

The hides and skins collection center project continued, with thirty initial buildings presently planned and sites for 19 of these assigned and ready for construction. The centers are expected to recover hides and skins worth \$650,000 annually, and create employment opportunities for up to 30 individuals. The improvement in the quality of



*Items from the TAYTU collection of high end fashion and leather goods.*

raw material destined for tanneries will support the project's goal of fewer rejections and increased producer revenues while also creating employment for individuals at the collection centers.

### 3.7. PMP Section 7: Oilseeds and Pulses Program

The oilseeds and pulses team is helping farmers improve yields and quality in order to qualify for higher grades, which will translate into increased sales. In April, the project organized a half day workshop for EPOSPEA members to promote the sector, help them work more closely together, and attract new members.

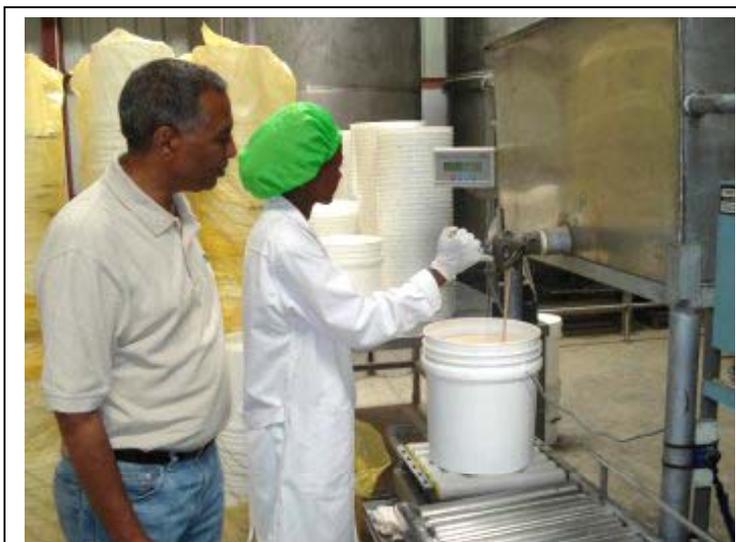
#### *Clients*

The project is working with 19 lead clients in oilseed production areas, comprised of four large cooperative unions, a commercial farmers association, three investors, five smallholder farmers and six exporters. These entities represent over 50,446 beneficiary client producers.

#### *Technical Assistance and Training*

The oilseeds and pulses team is focusing technical assistance and training on key production and marketing constraints. Nine technical assistance visits were made for sesame and haricot beans production planning, as growing season will start on the first week of July. Consultant Dr George Gray visited Zi Andeta's pulse demonstration plots, as well open discussions on soya production with other potential clients.

Four field-based trainings covering: production, Integrated Pest Management (IPM) techniques, weed control, proper use of pesticides, quality standards and marketing have taken place for 129 beneficiary farmers in sesame production in the Humera and Metema areas in northwest Ethiopia.



*Increased yields in client sesame production will be marketed to exporters as well as domestic processors, such as this Tahini processing plant in Gonder.*

The team has also developed four technical manuals in order to support its training program:

- Sesame Seed Bug
- Sesame Production
- Warehouse Receipts
- Bruchid Control

Additional plans are in the works for a new program with Melkassa Research Center and Catholic Relief Services (CRS) for White Haricot seed propagation and distribution to farmers in

Rift Valley, Eastern and Western Hararge. This activity has the potential to benefit 15,000 pulses farmers by generating 2,000 tonnes of certified seed.

New work has started with Hararge farmers in the Eastern corridor to develop a business plan and production system to increase yields in pulses.

A presentation was given on business planning at the CRS workshop for pulse farmers who could eventually supply our lead processing client ACOS, which ships product to the EU market.

### ***Processing***

The project has provided business plan development and loan application support to three companies: Prosper International, Warka Trading and ALLIMPEX for sesame and dried bean cleaning and processing. These value-added activities will improve the quality and end prices received for these products. The loan for Prosper International was approved for \$538,564.

### ***Warehouse Receipts***

Training for EGTE was conducted in Bure and Damot Union. Five primary cooperative stores were visited and advice provided on warehouse management and receipts systems.

A study tour focused on grades and standards for members of MoARD, EGTE, EQSA, and producers was planned for Kenya and South Africa in July.

## **3.8. PMP Section 8: Policy Intervention Activities**

The Project continues to identify and develop strategies to address critical policy constraints in the targeted sectors through technical advocacy and the cluster approach.

### ***Trade & Investment Policy***

Discussions were held with Manchester Trade to refine the initial study of current coffee marketing legislation, and how it can be updated to improve trade. A local company has been selected to produce a position paper on the major issues and constraints to be discussed with our government partners.

A guide for investing in Ethiopia has been produced by the project for new clients, and a draft of the Foreign Exchange Policy of the National Bank of Ethiopia has been finalized, as was a draft of alternative sources of finance and investment and their availability to the agribusiness sector.

### ***Airfreight Logistics***

Discussions with EHPEA have continued on the need to expand facilities at the airport as horticultural export volumes increase. A feasibility study will be undertaken later in the year.

### ***Cluster Activities***

The project conducted the 4th leather industry competitiveness Cluster Working Group (CWG II) in April. The cluster consists of 38 prominent business and government leaders involved in the HSL sector. A total of ten "action initiatives" are being acted on as part of the industry cluster business plan, which are expected to increase export volumes, quality and sales. Private sector

companies have now taken ownership of these action initiatives, and the industry is starting to collaborate openly. A further cluster meeting is planned for July as well as stakeholder meetings including a public-private sector dialogue to agree on a master plan for specialization in the tanning industry.

### 3.9. PMP Section 9: Other Cross Cutting Activities

Cross-cutting activities include technology and partners fund awards, gender mainstreaming, environmental activities, and HIV/Malaria.

#### *Technology and Partners Fund Awards*

The project continues to identify and invest in activities that support project objectives through Technology and Partners Funds grant awards:

- To date, the project has committed \$826,510 in these cost-sharing grants, leveraging partner commitments (including commercial loans obtained) of \$2,777,843. Tables 1 and 2 provide a breakdown of Technology and Partners Fund awards signed to date.
- In terms of actual expenditures, the project has invested \$322,691 of the total in partner and technology funds obligations made to date, leveraging client investments of \$811,825, representing \$2.52 for each USAID dollar invested.

**Table 1: USAID-ATEP Technology Fund Awards: April 06 to June 07**

Award	Project Commitment	Client & Other Commitments	Total
01 Ectoparasite control materials and training	\$67,058	\$27,681	\$94,739
02 Coffee eco-pulping equipment	\$12,500	\$29,500	\$42,000
03 Cupping equipment for five regional coffee labs	\$21,230	\$82,750	\$103,980
04 Planting material for mangetout, sugar snap and chilli export trials	\$6,384	\$49,950	\$56,334
05 Modern drip irrigation systems installation and training	\$108,580	\$178,830	\$287,410
06 Improved coffee sun-drying beds	\$13,846	\$3,393	\$17,239
07 Planting material for fine bean and peas export trials	\$3,670	\$16,000	\$19,670
08 Modern drip irrigation pumping equipment	\$3,290	\$4,490	\$7,780
09 Eco-friendly coffee sun-drying beds	\$6,255	\$19,755	\$26,010
10 Materials for construction of crocodile ponds	\$18,264	\$839,360	\$857,624
11 Organic certification for coffee cooperatives	\$10,696	\$1,145	\$11,841
12 Upgrading hides and skins capacity of Legedadi Abbatoir	\$14,857	\$17,019	\$31,876
13 Hides and skins collection and storage centers for Wondi Skins	\$17,143	\$48,355	\$65,498
14 Training for sesame producers in Amhara and Tigray	\$8,040	\$3,598	\$11,638
15 Planting materials for summer flower export trials	\$5,100	\$7,450	\$12,550
16 Modern irrigation systems for summer flower export trials	\$11,920	\$13,812	\$25,732
17 Coffee eco-pulping equipment for Limu Kossa	\$13,000	\$153,033	\$166,033
18 Oilseeds processing with Prosper International	\$24,920	\$166,845	\$191,765
<b>Total</b>	<b>\$366,754</b>	<b>\$1,662,966</b>	<b>\$2,029,720</b>

**Table 2: USAID-ATEP Partner Fund Awards: April 06 to June 07**

Award	Project Commitment	Client & Other Commitments	Total
01 Inward and outward trade missions	\$58,950	\$220,000	\$278,950
02 HSL collection centers with ELIA	\$38,220	\$16,380	\$54,600
03 HSL radio campaign for proper harvesting and handling	\$8,691	\$14,641	\$23,332
04 CQI Coffee Corps activities	\$62,812	\$28,800	\$91,612
05 Q-Grading program with CQI/ECEA)	\$80,289	\$55,500	\$135,789
06 EAFCA trade show expenses	\$13,162	\$18,863	\$32,025
07 Hortiflora trade show expenditures	\$34,500	\$18,000	\$52,500
08 Coffee sector trade missions with ECEA	\$45,282	\$12,685	\$57,967
09 Capacity building for TAYTU	\$40,644	\$45,242	\$85,886
10 Coffee training in 81 woredas	\$23,953	\$8,528	\$32,481
<b>Total</b>	<b>\$406,503</b>	<b>\$438,639</b>	<b>\$845,142</b>

### ***Environment***

Training and technical assistance activities in Good Agricultural Practices for horticulture, oilseeds and coffee clients continue to be carried out by field technicians. The coffee team is continuing its support for the installation of low-water using eco-friendly pulping machines for coffee processing. Support for sun-dried coffees, which require no water for washing at all, is also receiving support from the project's Technology Fund. Organic certification of continued with BCS, and clients should receive their certifications next quarter.

A PERSUAP study was conducted by Dr. Richard Pluke of Fintrac and sent out for circulation and comment. The project anticipates releasing the final version to a wider audience of growers, regulatory organizations and supply companies to be used as a practical benchmark for safe agrochemical management.

### ***HIV/Malaria***

The project has identified local partners to assist with HIV and malaria subprograms during field training days. Pathfinder and PSI, both active in the Ethiopian health sector, will provide materials for farmer field days and other training events. These groups will begin to accompany project technicians to provide health training at the same venues as the production training days. More on this initiative will be reported next quarter.

### **3.10. PMP Section 10: Global Results Targets**

Ethiopia's national export sales for the four targeted agricultural sectors in 2006 and the first half of 2007 showed an overall increase in value of \$170,705,000 over 2005 figures.

Client and counterpart investments to date have reached \$1,217,791, inclusive of partner and technology fund co-investments, as well as other investments made over the course of client technical assistance and training.

## 4.0 Activities Planned for Next Reporting Period

### Horticulture

- Continue other vegetable export trials with lead clients.
- Continue inward buyer/investor visits by leading UK and Dutch produce companies to plan commercial export programs for the fall season.
- Assist investors in locating suitable land, in particular purchase of State farms now up for privatization.
- Start working on introducing further IPM techniques in collaboration with BDS partner The Real IPM of Kenya.
- Investigate Eastern corridor initiative with smallholders for Djibouti.
- Follow up with processing companies.

### Coffee

- Carry out further training on executing export contracts and cupping with CQI volunteers.
- Attend Specialty Coffee Association of Japan conference in Tokyo with ECEA and coffee exporters.
- Launch "Millennium" coffee training campaign with Coffee Industry Forum members on improved postharvest techniques, as well as harvesting, in time for next season which starts September.
- Completion of coffee harvest and auction/sales for 2006-07 season.
- Work with lead client millers on improved processing practices.

### HSL

- Continue training program for veterinarians (ekek control) and skinner/flayers (reducing damage).
- Continue Lalagera eradication campaign in close cooperation with Pittards.
- Initiate first pilot hides/skins collection centers.
- Conduct Fifth Competitiveness Cluster meetings.
- Conduct ELIA stakeholder meeting.
- Plan launch of TAYTU 2 range of high end leather goods in US market.

### Oilseeds/Pulses

- Conduct IPM trainings and find suitable storage e.g. cocoons for insect control in NW Tigray.
- Assist pulses and sesame processors with business planning and financing for new equipment.
- Promote warehouse receipts program, submit grades and standards for targeted oilseeds/pulses to MoARD for adoption. Train at EGTE warehouses.

### Trade and Investment

- Complete sources of finance/investment study.
- Complete investment profiles for all sectors.
- Continue business planning with current and prospective clients.
- Work with private companies in targeted sectors to access financing.
- Complete quarterly marketing bulletins for four associations.

## **Annex I: Updated Work plan/Performance Monitoring Plan**



## USAID-ATEP - Workplan &amp; Performance Monitoring Plan for 3-Year Base Period (version 11, fifth quarterly report 6/30/07)

Act- ivity #	Activity	2006			2007												2008				2009	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments											
		Q2	Q3	Q4	J	F	M	A	M	J	J	A	S	O	N	D	Q1	Q2	Q3	Q4	Q1			Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind												
3	<b>Marketing and Investment Activities (Cross-Cutting)</b>																																								
3.1	Publish market reports and sector-specific market updates		4	4	4				4							4										4	4	4	4	4	44	issues produced and disseminated	Copies of issues	12	32					X	Twelve reports completed
3.1(a)	Horticulture Market News (quarterly)		1	1	1				1							1										1	1	1	1	1	11	issues produced and disseminated	Copies of issues	3	8					X	
3.1(b)	Coffee Market News (quarterly)		1	1	1				1							1										1	1	1	1	1	11	issues produced and disseminated	Copies of issues	3	8					X	
3.1(c)	Hides/Skins Market News (quarterly)		1	1	1				1							1										1	1	1	1	1	11	issues produced and disseminated	Copies of issues	3	8					X	
3.1(d)	Oilseeds Market News (quarterly)		1	1	1				1							1										1	1	1	1	1	11	issues produced and disseminated	Copies of issues	3	8					X	
3.2	Conduct market, competitiveness and consumption trends analyses on major crops and new products	1	3	3	2				2							2										2	2	2	2	1	24	market surveys and other reports produced	Copies of surveys and other market reports	6	18					X	Sesame seed update, Crocodile Meat, Value Chain Analysis for Bobby Beans, Value Chain Analysis for Peas, Summer Flowers, Fresh Cut Roses
3.3	Undertake business plans and investment feasibility studies	2	6	6	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	68	Business plans and investment feasibility studies completed		15	53				X	15 Completed, 16 in process
3.4	Promote client investment potential with banks participating in USAID loan guarantee fund and other programs (i.e. WB)	1	3	3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	3	3	3	3	3	34	Loans received by clients across sectors		5	29					X	Total amount: \$2,134,046
3.5	Export & domestic market producer/buyer linkage service	2	12	12	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	12	12	12	12	12	134	market linkages developed	regular project reporting	22	112					X	Through trade shows, roundtables, farm/plant visits and outward missions
3.6	Support high-potential producers and/or processors participating in international trade shows and fairs			6					2							2										4		2		20	producers/processors participate in international trade shows and fairs	regular project reporting	19	1		X					Lyon 4, Cairo 3, EAFCA 8, Hortiflora 2, SCAA Long Beach 2
3.7	Support inward buyer/ investor missions across sectors		1	2				2								2										2		1		10	buyers provided support for inward buying and investment missions	regular project reporting	16	(6)		X					Jonathan Parkin, Yirgalem Conference 13, HAGE Holland, Exotic Farm Product Limited, Bomfords.
3.8	Strategy and action plan for sustained access of market information developed			1																										1	action plan and strategy developed	Copy of plan	1	-	X						
3.9	Develop partnerships with local BDS partner(s) to provide market information services (at least one for each sector)			1				1								1										1				4	BDS partnerships developed/Partner fund agreements operationalized	CIRIS, Copy of agreements	1	3				X	EHPEA		

## USAID-ATEP - Workplan &amp; Performance Monitoring Plan for 3-Year Base Period (version 11, fifth quarterly report 6/30/07)

Act- ivity #	Activity	2006			2007												2008				2009	Deliverable/Result		Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments															
		Q2	Q3	Q4	J	F	M	A	M	J	J	A	S	O	N	D	Q1	Q2	Q3	Q4	Q1				Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind																
3.10	MOARD, four main trade associations and other organizations' staff trained in agribusiness market information systems and export analyses		2	2	2														2		2					12	workshops	CIRIS	13	(1)		X														
			20	20	20															20		20						120	people trained in market analyses	CIRIS	176	(56)		X												
3.11	Training support to domestic market price reporting systems MOARD		1	1																							6	domestic market price reporting systems training	regular project reporting	2	4				X			Central Statistics Authority (CSA) has a system to monitor prices (for the calculation of inflation).								
<b>4</b>	<b>High-Value and Added-Value Horticulture Program</b>																																													
4.1	Initial selection of Lead Partners (exporters, farmer groups, processors, individual farmers) & development of partner-specific activity workplans		10	15															5							5	5	10	5							75	lead partners identified and partner-specific activity workplans developed	CIRIS (lead partner data & workplans)	19	56				X		19 partners with agreements signed
4.2	Beneficiaries of lead partners identified and representative M&E data collected		0	70	25																						35	beneficiary farmers supported directly through lead partners	CIRIS	397	(42)				X			Eteco: 30, Zi-Andeta:300, Ethioflora: 67								
4.3	Product-specific and technology-specific technical manuals, bulletins and other technical materials produced and disseminated (production, postharvest, processing)	2	7	9	4																						50	technical manuals, bulletins and other technical materials produced and disseminated	copies of materials	22	28				X			These in draft form, not yet finalized								
4.4	On-Farm Extension Program		100	270	50	50	50	50	75	75	90	90	90	90	90	90	270	270	270	270	270						2610	On-farm extension visits made by program agronomists	CIRIS extension logs	624	1,986					X										
4.5	On-Farm Group Training Events		10	27	5	5	5	6	6	8	9	9	9	9	9	9	27	27	27	27	27						261	training events	CIRIS training logs	69	192					X										
			50	135	25	25	25	30	30	40	45	45	45	45	45	45	135	135	135	135	135						1305	participants at training events	CIRIS training logs	590	715					X										
4.6	Technical assistance to packhouses (e.g. design and layout, equipment recommendations & sourcing, new technology demos, etc.)			5																								30	packhouses assisted with designs and layouts	Copies of designs and layouts	4	26					X									
4.7	Training in postharvest handling			50																								500	participants in postharvest training events	CIRIS training logs	33	467						X		Training provided by Benjamin Mwangangi						
4.8	Technical assistance to micro- to large-scale horticultural processors (plant layout and design, equipment recommendations & sourcing, new technology demos, etc.)																											10	5 large-scale horticulture processors supported; 7 small and micro-scale processors receive technical support	TA logs (CIRIS)	-	10					X									
4.9	New processed products for local and export market developed				1																							10	new products developed	regular project reporting	-	10					X									
4.10	Processing training program (in-plant & workshops & seminars)				15	15	20																					250	participants in processing training events	CIRIS training logs	-	250					X									
4.11	Food Safety Systems & HACCP Program			2																								12	food processing firms implement food safety systems (e.g. HACCP or other)	client certification records; other project reporting	-	12					X									
4.12	Training school for EHPEA in NZTT model																											1	Training curriculum developed and transferred to EHPEA	Alliance agreements	-	1					X									
4.12.1	Establishment of demonstration sites at regional educational institutions (farm & microprocessing)																											2	demonstration farms established with educational partners	Alliance agreement; regular alliance reporting; CIRIS	-	2					X									
4.12.2	Curriculum development implementation at regional education institutions																											1	support provided in curriculum development to Jimma and Amelmayu (production, postharvest, microprocessing)	Alliance agreement; regular alliance reporting; CIRIS	-						X									

## USAID-ATEP - Workplan &amp; Performance Monitoring Plan for 3-Year Base Period (version 11, fifth quarterly report 6/30/07)

Activity #	Activity	2006			2007												2008				2009	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments														
		Q2	Q3	Q4	J	F	M	A	M	J	J	A	S	O	N	D	Q1	Q2	Q3	Q4	Q1			Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind															
<b>4.13 Local Market Vegetable Program</b>																																												
4.13.1	Demonstration farms established with Farmer Groups			15											3	3	4	3	3	4							10	10		55	demonstration farms established in key production regions		11	44					X					
4.13.2	PF# TBD: Improved Seed and Production Technologies - Demonstration Plots (TBD)			1	1																									3	Partner Alliance established with input suppliers	Alliance agreement; regular alliance reporting; CIRIS	1	2					X		Program under development			
<b>4.14 Export Market Development Program (EUREPGAP, SPS Compliance, Food Safety &amp; Product Traceability)</b>																																												
4.14.1	Work with major exporters to identify target groups for EUREPGAP certification																														Target groups identified	Regular project reporting							X		Target lead farmers identified.			
4.14.2	Design and implement partner fund agreements with exporters to achieve EUREPGAP certification of smallholders			2	1																									7	Partner Fund agreements for smallholder EUREPGAP certification designed and implemented	Partner Fund agreements with exporters	-	7						X				
4.14.3	Growers achieve EUREPGAP certification					50																								300	growers achieve EUREPGAP certification	project and partner reporting; EUREPGAP certification records	5	295						X				
4.14.4	Establish and support National Technical Committee for EUREPGAP (smallholder certification and other issues)																													1	National EUREPGAP working group established, assistance provided to address major issues as they arise	Regular project reports							X					
4.14.5	International Promotion of Ethiopia's EUREPGAP Progress																													2	Ethiopia image for EUREPGAP compliance is heightened in major markets	Press articles; speaker lists							X		Regular releases through industry press and participation at industry events.			
4.14.6	Assistance to horticultural exporters association to develop a ETHIOPIAGAP code of practice, benchmarked to EUREPGAP																													3	ETHIOPIAGAP is benchmarked to EUREPGAP by December 31, 2007	Agreement with EUREPGAP							X					
4.14.7	Support development of local certification capability - ("train the trainers" program; direct support to private certification companies)					10																								50	individuals receive advanced training in EUREPGAP protocol and certification requirements	CIRIS training logs; partner training logs	28	22				X		Training of 28 managers. Total people trained in EUREPGAP: 133				
4.14.8	Development of local certification capability - ("train the trainers" program; direct support to private certification companies)																													1	regional firm provide new or improved certification services	Certification received from EUREPGAP	-	1					X					
4.14.9	Support implementation of safe use of chemicals, and identify more farmers for safe use training, and provide training directly and through farmers					300	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	500	500	500	500	3500	farmers trained in safe use of farm chemicals	CIRIS training logs; partner training logs	158	3,342						X		IPM management 12, Use of chemicals 9, EUREPGAP 133, Equipment calibration 3, and chemical safety 4 trainees (total 23 events). Trainings with CropLife Ethiopia planned	
<b>4.15 Export Market Development Program (New Product Development)</b>																																												
4.15.1	Determine target products through production, market, and competitive analysis			3	1																										8	target crops identified over life of program based on current and changing market conditions	market surveys, competitiveness assessments, production analyses	8	-					X		Mangetout, sugar snap peas, snow peas, baby corn, chillies, okra, baby courgettes, french beans, summer flowers		
4.15.2	Detail program activities and interventions for target crops (most likely are listed below)																																								X			
4.15.2(a)	New fresh vegetable crops for export (product diversification)			X																																					X		see 4.15.1	
4.15.2(b)	Smallholder flowers					X																																			X		Program to commence next quarter	
4.15.2(c)	African Birds Eye (ABE) chillies			X																																					X		see 4.15.1	
4.15.2(d)	Other spices																																								X			
4.15.2(e)	Tree crops																																								X			
4.15.2(f)	Fresh cut & other minimally processed fruit & vegetable products																																								X			
4.15.3	Design and implement partner fund agreements to support identified new products			1	1	1																																				X		Seminis program under development
4.15.4	Demonstration farms or plants for new products installed and maintained throughout target zones																																									X		Plots for mangetout, sugar snap peas, snow peas, baby corn, chillies, okra, baby courgettes, french beans



USAID-ATEP - Workplan & Performance Monitoring Plan for 3-Year Base Period (version 11, fifth quarterly report 6/30/07)

Activity #	Activity	2006			2007												2008				2009	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments							
		Q2	Q3	Q4	J	F	M	A	M	J	J	A	S	O	N	D	Q1	Q2	Q3	Q4	Q1			Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind								
<b>6 Hides, Skins &amp; Leather Program</b>																																					
6.1	Initial selection of Lead Partners (producers, abattoirs, traders, tanners, manufacturers) & development of partner-specific activity workplans		15	15	5			5																			45	lead partners identified and partner-specific activity workplans developed	CIRIS (lead partner data & workplans)	44	1		X			6 abattoirs, 17 leather good factories, 20 tanneries, 1 trader. Also working with 1 association and 2 education organizations.	
6.2	Coordinate and collaborate with existing industry support programs (i.e. UNIDO) and relevant government offices.		15	2																							17	Ongoing collaborations to ensure synergy		19	(2)		X			UNIDO, MOARD, B&ARD, UAB, USAID Projects (Land O Lakes, VOCA, Sheep and Goat, Pastoralists)	
6.3	Training of trainers for existing ectoparasite programs; direct training where gaps exist	1	3	3	1			1																			11	Training Programs	CIRIS (lead partner data & workplans)	26	(15)		X			Bale 13, Chiro 12, Harar 18, Semera 24, K Mengist 11, Asslea 23, Yabelo 8, Shashemen 11	
		30	90	90	60			60																				450	Technicians trained		540	(90)		X			
6.4	Training activities in quality improvement in tanning and curing to abattoirs (training of trainers)		3	3	1			1																				8	Training Programs	CIRIS (lead partner data & workplans)	35	(27)		X			Karalo 63, Woliso 12, Asala 23, Metu 22, Shambu 23, Shashemene15, Goba Robe 23, Awassa 45, Arba Minch 35, Mizan 24, Addis Ababa 22, Burayou 69
			150	150	50			50																				400	Technicians trained	CIRIS (lead partner data & workplans)	764	(364)		X			
6.5	Training activities in standardization, coding, QC, to collectors and traders		1	3	1			1										1	1	1	1	1						13	Training Programs	CIRIS (lead partner data & workplans)		13		X			Data presently included in activity 6.4
			15	45	15			15											15									195	Technicians trained	CIRIS (lead partner data & workplans)	365	(170)		X			Broken down from activity 6.4
6.6	Develop pilot traceability program to improve raw material supply to leather processors		1		1																						3	Pilot traceability programs established	CIRIS (lead partner data & workplans)	1	2			X		Lalogera project started in Feb 2007	
6.7	Explore enhancing recovery of raw stock through improved marketing, such as an auction																										1	Auction program assessed	CIRIS (lead partner data & workplans)	1	-			X		Establishment of 30 collection centres in Addis agreed and Partner fund signed. Construction plans and recruitment underway	
6.8	Providing training in tanning process improvements				20																						80	Trainings	High grade yield of raw stock (1-3) increased to 35% from present 20%		80			X		Co-ordination with GTZ and UNIDO who have also rolled out projects to avoid duplication	
6.9	Training manufacturers in business and investment planning																										4	Manufacturing capacity expanded	80% of manufacturers able to prepare business plan		4			X		100 companies in Addis trained. Strategy will be discussed with Trade and Investment Sector	
6.10	Supporting inward missions				1																						5	Inward missions supported through cost-share.		2	3		X		Includes outward missions. Lyon, Moscow.		
6.11	Partner agreement with U of Northampton and LLPTI to improve lab, train technicians and standards training				3																						12	Training activities			12			X		Needs Assessment report completed	
6.12	Develop LSH competitiveness cluster		1																								1	Competitiveness cluster developed	CIRIS, industry sources	1	-	X					
<b>6.13 HSL Program-Specific Impact Targets</b>																																					
6.13.1	Reduction in number of skins affected by ectoparasites																										15%	reduction in skins affected	Industry surveys	0%	15%			X		Baseline taken. Percentage of hides and skins defects Pre-mortem= 75%, Post-mortem= 12.53%	
6.13.2	Client and counterpart investments																										\$ 5,000,000	value of new client and counterpart investments	CIRIS	\$ 681,516	\$ 4,318,484			X		Confirmed investments	
6.13.3	Increased value of hide, skin and leather exports from Ethiopia																										\$ 48,000,000	value of increased exports	Trade and Industry Statistics	\$ 21,410,000	\$ 26,590,000			X		Export data taken from MOTI. Cumulative increase in sales (Jan 06 to Jun 07) over 2005 baseline figure.	
<b>7 Oilseeds and Pulses Program</b>																																					
7.1	Initial selection of Lead Partners (processors, exporters, cooperatives, other farmer groups) & development of partner-specific activity workplans			3				2	2	2								3	3	4								19	lead partners identified and partner-specific activity workplans developed	CIRIS (lead partner data & workplans)	19	-		X		Four farmers cooperative unions, 1 commercial farmers association, 3 investors, 5 smallholders and 6 exporters	
7.2	Beneficiaries of lead partners identified and representative M&E data collected			300				200	200	200								300	300	400								1,900	beneficiary farmers supported directly through lead partners	CIRIS	50,446	(48,546)		X		Beneficiaries of lead clients (cooperative members, association members, etc.)	
7.3	Technical manuals, market information bulletins and other technical materials produced and disseminated			2	1			1																				11	technical manuals, bulletins and other technical materials produced and disseminated	copies of materials	4	7		X		Sesame seed bug, Sesame production, Warehouse receipts, Bruchid control	
7.4	On-Farm Extension Program (improved production practices)							10	10	10	40	40	40														120	On-farm extension visits made by program agronomist	CIRIS extension logs	9	261			X		Sesame growing season starts the first week of July	
7.5	On-Farm Group Training Events (improved production practices)							10	10	10	10	10	10														30	training events	CIRIS training logs	4	86			X		Sesame growing season starts the first week of July	
								250	250	250	250	250	250														750	participants at training events	CIRIS training logs	129	2,121			X		Sesame growing season starts the first week of July	

USAID-ATEP - Workplan & Performance Monitoring Plan for 3-Year Base Period (version 11, fifth quarterly report 6/30/07)

Activity #	Activity	2006			2007												2008				2009	Deliverable/Result	Verification of Milestone Achievements	Numerical Target Status		Summary Schedule Status				Comments		
		Q2	Q3	Q4	J	F	M	A	M	J	J	A	S	O	N	D	Q1	Q2	Q3	Q4	Q1			Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind			
7.6	Support Organic Certification of Farms through Partnership Alliances			1	1			2							2						10	Farmer groups certified						X		Certification process started with four lead clients		
7.7	Introduction of new processing technologies -- design, business plans, financing, etc.		3	2			2			2				2	2	2	2	2			21	projects supported	CIRIS; other project reporting	3	18			X		three proposals submitted		
7.8	Inbound investment missions supported		1				1										1				3	mission supported	project reporting	-	3				X			
7.9	Regional market linkages developed		1	1			1						1				1	1	1	1	1	1	1	1	1				X			
<b>7.10 Warehouse Receipts</b>																																
7.10.1	Coordinate warehouse receipts activities with EGTE, MOARD, CBE other donors and projects																					Comprehensive national program using 8 EGTE warehouses	CIRIS training logs	coordination meetings held				X		Discussion and meetings are going on		
7.10.2	Develop technical bulletins and other training materials on general program and disseminate to cooperative partners, private traders and exporters, trainings conducted		2	1	1			1													7	Workshops	CIRIS		5	2			X		Five trainings held on WHRS and manuals disseminated to the participants	
7.10.3	Develop materials and training package on simplified grades/standards for oilseeds/pulses, conduct workshops and distribute via cooperatives, traders and exporters		1	3	1	1	1														7	Workshops, need approval from MOARD taskforce	CIRIS	1	6				X		Workshop took place in Nairobi and South Africa. Grade/standard manuals in draft form for maize, wheat, teff, haricot beans, coffee and sesame.	
7.10.4	Develop materials and initiate activities in support of a commodity exchange program																					Work at PIU with other donors and MOARD	CIRIS					X		The office is under establishment		
<b>7.11 Oilseed Program-Specific Impact Targets</b>																																
7.11.1	Increased value of oilseed exports																					\$ 71,000,000	value of increased exports	Trade statistics	\$53,256,000	\$17,744,000			X		Export data taken from MOTI. Cumulative increase in sales (Jan 06 to Jun 07) over 2005 baseline figure.	
7.11.2	Client and counterpart investments in new value-added processing																					\$ 1,000,000	value of new investment	CIRIS	\$0	\$1,000,000			X		Purchase of dehuller machines is expected for next quarter	
<b>8 Policy Intervention Activities (Cross Cutting)</b>																																
8.1	Identification of policy constraints through investment and competitiveness activities		2	2				2													12	Issues identified and prioritized	regular project reporting	6	6			X		Airport coldstorage, Central Bank, Coffee Law, WR Tax, Pesticide Approval, Import Taxes		
8.2	AGOA and other trade protocol training conducted	1	1	1	1	1	1	1	1	1	1	1	1	1	1	3	3	3	3		27	AGOA and other trade protocol training events held	CIRIS	1	26				X		AGOA and WTO training for ministry personnel	
8.3	Address constraints where policy interventions are needed/assist with issues paper development		1	1				1													6	Issue papers developed, presented at Ministerial level	CIRIS	1	5				X		Airport cold storage visit to Kenya	
8.4	Support to national-level conferences and consultative groups supported to address policy constraints		1	1																	6	project support to national-level conferences and consultative groups	CIRIS	7	(1)			X		Coffee Stakeholder meetings 3, HSL Cluster meetings 4		
<b>9 Other Cross Cutting Activities: Organizational Development, Partners/Alliances/BDS, Gender Mainstreaming, Environmental Management, HIV/Malaria</b>																																
<b>9.1 Organizational Capacity Development</b>																																
9.1.1	Groups receive training in capacity building and business development																					250	groups receive training in capacity building and business development	CIRIS and other project reporting	0	250				X		
9.1.2	Group leaders receive specialist management training																					250	group leaders receive specialized management training	CIRIS and other project reporting	0	250				X		
<b>9.2 Partners Fund, Alliances, and BDS</b>																																
9.2.1	Partners/Technology Fund (Grant) Manual prepared; approved by USAID																					1	Manual approved by USAID	Copy of manual	1	-		X				
9.2.2	Partner & technology fund alliances established	1	3	3	3			3													20	Agreements designed and operational	Copy of agreements	30	(10)			X			10 PF awards; 20 TF awards	
9.2.3	National Smallholder Technology Fund designed and implemented for small-scale/cost investments	1																			1	National Smallholder Tech Fund established	Copy of tech fund	0	1					X		
9.2.4	Cost sharing for the implementation of these alliances reach at least a one-to-one ratio either in-cash or in-kind. (non-project sources)																					\$ 950,000	Alliance partner contributions reach \$950,000 (expected by 3/31/08)	Agreement, CIRIS + alliance partner validation	\$ 811,825	\$ 138,175				X		Clients' total confirmed investment in Technology and Partner Fund Awards, to be entered into CIRIS as met
<b>9.3 Gender Mainstreaming</b>																																
9.3.1	Support Women's Entrepreneurial Institute																					1	Partner agreement signed with WEI	agreement	0	1			X		Program under development, to be implemented autumn 2007.	
9.3.2	Project staff training in Gender Mainstreaming & Implementation Approach																				All	Project staff trained	internal project reporting					X				



## **Annex II: Monthly Bulletins**



**USAID**  
FROM THE AMERICAN PEOPLE

**MONTHLY UPDATE –April 2007**  
**ETHIOPIA AGRIBUSINESS AND TRADE EXPANSION PROGRAM**  
*“Increasing Rural Incomes and Employment”*

**NOTE FROM THE PROJECT DIRECTOR**

This month the project celebrates its twelfth month in Ethiopia and looking back on each of the five sectors in which we operate, we can confidently say that much has been achieved.

As we head for the new millennium in September in the Ethiopian calendar, we have made good inroads in introducing new technologies and market linkages into each of our targeted agribusiness sector areas.

At the national policy level, we have also been able to get industries working together closely to tackle major issues, as evidenced by our success in Hides, Skins and Leather clustering and the coffee stakeholders forum. Working closely with the Ethiopian Government and the private agribusiness companies, we look forward to supporting our clients and meeting our targets in year two.

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



*Packing of snow peas at Omega Farms*



*Photos Courtesy of Fintrac*

*Primrose trials at Chancho Flowers*

*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 industry sectors in four regions of Ethiopia. For more information on ATEP activities, please contact:*

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

Ki-Ab Building, 4th Floor Alexander Pushkin Street | [Opposite South African Embassy] | PO Box 70696 | Kirkos Subcity | Kebele 23, House #1123 | Addis Ababa, Ethiopia  
Tel: 251-11-3720060 | Fax: 251-11-3720102  
E-mail: [atep@fintrac.com](mailto:atep@fintrac.com)



*Siet Agro, Holetta, harvested delphinium in a cold room*



*Gololcha Coffee Cupping laboratory in Arsi Zone*

## HORTICULTURE

In April, the project followed up on several potential investment initiatives resulting from last month's Hortiflora Exhibition. Discussions were facilitated between potential client investors and local government representatives concerning the availability of land from privatization authorities.

The monitoring of Client-based investments and expansion plans along with continued interest from markets in the EU and the Middle East indicate growing momentum for vegetable exports. Recent developments include:

- Kibbutz Ethiopia, based in the upper Awash area, has constructed field latrines and an agrochemical shed as part of its EUREPGAP program. The group will undertake August export plantings of chillies, beans and baby corn.
- Siet Agro, growing Delphinium flowers near Holetta, west of Addis Ababa, is planning to

double the existing trial site following the successful sales of 60,000 stems with sales value of Euro 8,000 from its pilot program.

- Zi-Andeta has invested in new vegetable farming in Ziway, and is currently undertaking land-clearing and geo-physical surveys for borehole installation.
- South Africa's leading avocado company, Westfalia, completed a detailed feasibility study for a potential pilot project in western Ethiopia.
- The project has funded the procurement and installation of drip irrigation equipment at Teppo Farm in Meki. The group will focus on opportunities for specialty salads in conjunction with Prins Vegetables for export to the Middle East market.
- The first shipments of mangetout and sugar snap peas to UK customers from the high altitude trial site at Chancho were completed. The clients involved in these trials are receiving logistical support from Florensis, a leading supplier of specialty floral cuttings to Holland.

In addition, the first draft of the Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP), which was circulated to key stakeholders for technical comments and analysis, was finalized. The project anticipates releasing the final version to a wide audience of growers, regulatory organizations and supply companies to be used as a practical benchmark for safe agrochemical management.

## SPECIALTY COFFEE

This month, the preparation of a Technology Fund to cover the cost of Organic Coffee Certification for lead clients Amaro Gayo, D.T.C., Gololcha Sole (IPS) and Chiree Sidamo (IPS) was finalized. A total of 3,747 coffee farmers will benefit from the BCS Organic Coffee Certification at a cost of US\$10,696.

The coffee sector also conducted the third coffee stakeholders meeting on April 24<sup>th</sup>, 2007. With 40 participants in attendance, the meeting was aimed at focusing stakeholders on efforts to enhance the competitiveness of Ethiopian coffee and identify potential areas for the further development of the sectors. USAID-ATEP also provided support to the Ethiopian Coffee Exporters' Association to participate at the 19<sup>th</sup> annual conference and exhibition of the Specialty Coffee Association of America, May 4–7, in Long Beach, California.

Field visits were conducted to client farms in order to collect baseline data and assist in the preparation of coffee demonstration plots. Data was collected from most of the clients, and farmers were briefed on farm record-keeping.

Training on Coffee Agronomy was provided to sixteen (16) trainees at Gemadro Coffee Plantation near Teppi in Western Ethiopia. The USAID ATEP Coffee Production Manual was distributed to large-scale farmers, unions and other stakeholders.

Training on compost application and pruning practices was also given to farmers at one of the D.T.C. beneficiary demonstration plots.

Two meetings were held in Yirgacheffe district to provide information on the principles and importance of quality in support of the project's cupping laboratories. The meetings were held for cooperative farmers and representatives of the regional office of Agriculture and Rural Development. In addition, follow up and monitoring of the cupping laboratories was carried out at Konga cooperative in Yirgacheffe and Wotona Bultma cooperative in Aleta Wondo district.

## HIDES, SKINS AND LEATHER

The project successfully negotiated a buyer / supplier linkage between the Ethiopian Leather Industry Association (ELIA) members and six farmer cooperatives in Wonago and Dilla woredas in SNNPR. The deal, which was reported in the electronic and print media, involves the supply of 60,000 pieces of hides and 84,000 pieces of skins per annum to the industry. The project will undertake consecutive trainings on harvesting hides and skins with the farmers and flayers in the area to support the agreement.

An additional US\$29,000 was collected from ELIA members who have committed a total of US\$42,000 to purchase equipment for the *Lalagera* ectoparasite control campaign. In addition, four deep freezers had been purchased for the *Lalagera* project with funding from the USAID-sponsored Goat and Productivity Improvement Program (ESGPIP) in the amount of US\$2,200. The equipment was delivered to the animal health office in the woreda.

Sample skins were purchased from *Lalagera* and submitted to Pittards for processing to learn the pre-treatment level of ectoparasite damage to skins. Baseline results were thus obtained from Pittards regarding ectoparasite damage. The HSL team also obtained approval for two further Technology Fund Awards for infrastructure improvements in collection and processing, amounting to US\$34,286.

The HSL sector held the 4<sup>th</sup> Ethiopian Leather Sector Competitiveness Cluster Working Group meeting on April 26th. Participants included government and industry leaders, donor representatives, and other stakeholders. The Working Group identified a number of additional action initiatives. Visitors from the Pan-African Conference of competitiveness (PACF) and The Competitiveness Institute (TCI) rated the Ethiopian Leather Sector Competitiveness Cluster Initiative as the fastest growing within the Horn of Africa Region.



*The Fourth HSL Cluster Working Group in Session*



*Photo courtesy of Fintrac*

*Dr. George Gray, Mr. Teka, Mr. Yitbarek and Mr. Abdela (ZI-ANDETA Agronomist) visiting the Dry Bean Trial at ZI-ANDETA Farm, Ziway.*

## OILSEEDS AND PULSES

In the Oil Seeds and Pulses sector, a workshop was held in Nazareth from April 11-12, 2007 aimed at improving Haricot bean production among smallholder farmers, primary cooperatives, Farmers Cooperative Unions (FCU), development agents and other stakeholders in Eastern and Western Harerghe. The main topics included production quality and the development of market linkages with potential buyers and exporters.

The workshop was accompanied by a field visit at client ACOS's pulses cleaning facility. During the visit, samples and results were shown to the participants and discussions were held on how to improve the quality of Haricot beans for the international market.

## STAFF LIST

### Main office

Steve Humphreys, *Chief of Party*  
shumphreys@fintrac.com  
Atsede Yohannes, *Project Accountant*  
atsede@fintrac.com  
Meheret Mersia, *Sector Activity Coordinator*  
meheret@fintrac.com  
Tirsit Sisay, *Office Manager*  
tirsit@fintrac.com  
Asmare Melesse, *M&E Specialist*  
asmare@fintrac.com  
Tehetena Gezahegn, *Cluster & Consortium Partners Coordinator*  
tehetena@fintrac.com  
Hiwote Tadesse, *Accounting Assistant*  
hiwote@fintrac.com  
Meseret Agenehu, *Receptionist*  
meseret@fintrac.com  
Semere Dargie, *IT Specialist*  
semere@fintrac.com  
Zelalem Mengistu, *Logistics Coordinator/Driver*  
zelalem@fintrac.com

### Horticulture sector

Ian Chesterman, *Horticulture Manager*  
ichesterman@fintrac.com  
Gebre Michael Habte, *Trade and Investment Assistant*  
gebremichael@fintrac.com  
Melaku Tedla, *Horticulture Field Adviser*  
melaku@fintrac.com  
Semret Kifleyesus, *Horticulture Agronomist*  
semret@fintrac.com  
Eskinder Kebede, *Horticulture Agronomist*  
eskinder@fintrac.com  
Sinishaw Belay, *Horticulture Agronomist*  
sinishaw@fintrac.com  
Petros Kelbeso, *Horticulture Agronomist*  
petros@fintrac.com

### Coffee sector

Abayneh Alemu, *Coffee Manager*  
abayneh@fintrac.com  
Tefaye Negash, *Coffee Agronomist, Awassa*  
tesfaye@fintrac.com  
Getachew Zeleke, *Coffee Agronomist, Jimma*  
getachew@fintrac.com

### Hides, Skins and Leather (HSL) Sector

Teshome Kebede, *HSL Manager*  
teshome@fintrac.com  
Dr. Kassa Bayou, *HSL Veterinarian*  
kassa@fintrac.com  
Alemayehu Tafesse, *HSL Technician*  
alemayehu@fintrac.com

### Oilseeds/Pulses Sector

Teka Redaa, *Oilseeds/Pulses Manager*  
teka@fintrac.com  
Etagene Geremew, *Warehouse Receipts Specialist*  
etogene@fintrac.com  
Yitbarek Liben, *Oilseeds/Pulses Agronomist*  
yitbarek@fintrac.com

### Trade and Investment Sector

Ian Sherry, *International Investment Manager*  
isherry@fintrac.com  
TSION Hailesele, *Investment Finance Specialist*  
tsion@fintrac.com  
Beamlak Tesfaye, *Communication Specialist*  
beamlak@fintrac.com

An agreement was also reached with the Harerghe participants to develop a business plan and assist them with upgrading quality through better agronomic practices.

In addition, the project organized a half-day workshop on April 16<sup>th</sup> to assist the Ethiopian Pulses, Oil Seeds and Spices Processors and Exporters Association (EPOSPEA) to promote the sector and attract new members.

A field visit was carried out with oilseeds specialist Dr. George Gray to client ZI-ANDETA's new demonstration plots, which are under preparation for rain fed and drip irrigation production. Additional visits were made to FAFA Food Factory and Health Care Food Manufacturing PLC, both prospective clients in the soya industry.

## TRADE AND INVESTMENT

The Trade and Investment team was hosted at a luncheon organized by the Ethiopian American Business Association (EABA) on April 26<sup>th</sup>. The luncheon was aimed at exploring agribusiness opportunities in Ethiopia for potential investors. The team made a presentation on opportunities in the USAID ATEP targeted sectors.

In the horticulture sector, feasibility studies for two potential clients have been reviewed and their farms will be visited in the near future to finalize these. One of the potential clients, Daniel Hailu Agriculture Enterprise, is establishing 300 hectares to plant mangoes, papayas and avocados in Eastern Wollega, Oromia Region. The other potential client, Ato Abiye Astatke, owns 20 hectares of demonstration site in Debre Birhan, Amhara Region, which will be used for the production of high value temperate tree crops (apples, pulses, plums and almonds) together with livestock and apiculture. In addition, the feasibility study of D.F.T packaging PLC has been finalized and the loan application for US\$766,000 (ETB 7.0 million) was submitted to Dashen Bank.

In the coffee sector, the project carried out a field visit to Gollolcha Woreda in Arsi Zone along with coffee experts from Gollolcha Sole plc. The group is seeking to establish market linkages with farmers in the area. During the field visit, discussions were held with Woreda Administrators, coffee experts at Woreda level and coffee farmers' representatives to establish structures that will ensure greater profitability by improving coffee quality and production volumes. The discussions were also centered on the possibility of establishing a farmer-owned share company. In addition, coffee client D.T.C. approached the project for assistance in the preparation of a strategic business plan that will be used to apply for investment and operating capital.

The first draft of the *Assessment of the legal regime governing coffee in Ethiopia* was finalized. It identified key policy issues having a negative impact on the development of the coffee industry. The findings will be discussed with the coffee industry and other legal experts before submission to USAID and the government officials.



**USAID**  
FROM THE AMERICAN PEOPLE

## MONTHLY UPDATE – May 2007

### ETHIOPIA AGRIBUSINESS AND TRADE EXPANSION PROGRAM

*“Increasing Rural Incomes and Employment”*

#### NOTE FROM THE PROJECT DIRECTOR

May saw a real increase in interest by EU produce buyers and potential investors in the Horticulture export sector. The arrival into the UK market for the first time of Ethiopian snow peas has triggered some of this interest, while exports of fruits and vegetables are up 27% over last year. The project hosted a successful business networking evening at our offices, where we provided the opportunity for the linking of many important players including EU and Ethiopian investors, as well as BDS providers in the horticulture value chain.

Coffee export values are reported as having increased 18% over last year, with increasing quantities going into the specialty market for better prices. There is more and more interest in natural, as opposed to washed, coffee and this year’s harvest is forecast to be good.

Exports in the HSL sector are up almost 20% over the same period last year. The team is very excited about a new initiative working with the TAYTU brand, and promoting the “Made in Ethiopia” logo to the top end fashion industry in Europe and the US this year.

In the Oilseeds / Pulses sector, our efforts are focused on improving production and quality, and providing technical support. We will shortly have agreements with local partners for seed multiplication of sesame and white haricot beans to improve the supply to farmers for next planting season.

To round the month off, we held a series of meeting with the largest private sector investors in Ethiopia, the Alamoodi group, and are hopeful that they will continue investing further in our four production sectors.

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



*Mr. Leo Van de Heuval and Mr. Paul Postema from HAGE and Mesfin Teshome, general Manager of Almeta Impex visiting vineyard in Ziway*



*Mike Goodwin (Exotic Farms Ltd UK) & Thomas Mattanovich at Chancho evaluating the pea trials*

*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 industry sectors in four regions of Ethiopia. For more information on ATEP activities, please contact:*

**USAID Agribusiness and Trade Expansion Program**  
“Increasing Rural Incomes and Employment”  
Ki-Ab Building, 4th Floor Alexander Pushkin Street |  
[Opposite South African Embassy] | PO Box 70696 | Kirkos Subcity | Kebele 23, House #1123 | Addis Ababa, Ethiopia  
Tel: 251-11-3720060 | Fax: 251-11-3720102  
E-mail: atep@fintrac.com

## HORTICULTURE

This month USAID ATEP sponsored visitors to Ethiopia from two significant EU marketing organizations, Exotic Farm Produce of the UK, and HAGE of Holland. The visits were conducted to build international grower linkages for Ethiopian horticulture producers.



*HAGE representative explaining bean specifications at Zi-Andeta farm in Ziway*

Mr. Mike Goodwin, the development agronomist of Exotic Farms Produce Ltd, third largest importer of exotic produce into the UK, visited lead client sites to evaluate next season's production potential for peas and beans. In his meeting with the Ethiopian Horticulture Producers and Exporters Association (EHPEA), he expressed a particular interest in encouraging Organic exotic vegetables as Ethiopia's significant point of difference in a competitive and fast growing market place. EFP specializes in sourcing and importing fruits and vegetables from 60 countries worldwide to supply UK supermarkets.

Later in May, Mr. Paul Postema and Mr. Leo Van den Heuval, account managers of HAGE, conducted farm meetings with producers and farm visits to scout sourcing opportunities for grapes and Bobby beans. HAGE is one of the leading importers of fresh produce in Europe, with annual sales of €300 million.

Leading members of the Ethiopian Grape Growers Group have ambitious plans to expand and develop plantings over the next few years. The plan targets potential market windows in May/June and November/December. On-farm discussions clarified the marketing, logistics and technical challenges that lie ahead for the pioneer grape growers, with USAID-ATEP providing technical assistance to the initiative. The economics of air freighted Bobby beans remains marginal since there is heavy competition from sea-freighted product originating from Senegal, Egypt and Morocco. However, it provides an entry-level seasonal export crop for vegetable growers willing to

invest in suitable infrastructure and EUREPGAP accreditation.

The growing interest of marketing organizations from Europe and the Middle East in sourcing a wide range of fruits and vegetables from Ethiopia is an encouraging sign for the future. International buyer partnerships with major organizations such as this month's visitors have underscored the strategic issues that the industry faces. The project will continue playing a key role in supporting the efforts of the government, the Ethiopian Horticulture Producers and Exporters Association (EHPEA) and individual growers to realize the continued growth of the sector.

## SPECIALTY COFFEE

The coffee team participated in the 19<sup>th</sup> Specialty Coffee Association of America (SCAA) Exhibition and Conference held in Long Beach, California, from May 4 to 7. The project sponsored the Ethiopian Coffee Exporters Association (ECEA) to attend and exhibit at the conference and tradeshow. The Ethiopian booth was visited by more than half of the total 10,000 visitors to the exhibition.



*Ethiopian booth at the 19<sup>th</sup> annual conference and Exhibition of the Specialty Coffee Association of America*

Following the decision of the 3<sup>rd</sup> Coffee Stakeholders Meeting on April 24<sup>th</sup>, a working group was formed comprising USAID-ATEP, exporters, AKRABIES, and the service sector. The working group was tasked with an action plan to train farmers and extension agents in 84 coffee producing Woredas. The training, which is estimated to cost US\$35,000, will focus on the basics of harvesting and post harvest treatment and handling. Other donors and private sector exporters will co-finance this effort, which is planned for July and August.

The project also organized and sponsored a three-day training on specialty coffee markets, including organic certification and marketing, to seventeen (17) coffee exporters from May 29 to 31. This was conducted for ECEA members at the association's conference facility in Addis

Ababa and led by Mr. AL Liu, a CQI volunteer from Alterra coffee in Milwaukee.

Agronomy training was also provided to farm managers of Green Coffee agro industry plc in Bonga and Gemadro coffee plantation in Mocha, SNNPR. Discussions were held in Addis Ababa with lead clients including IPS plc, S.A Bagersh, DTC, Solomon Worku, Amaro Gayo and CLU on how to improve the marketing of specialty coffees.

Field visits were made to Sidama and Gedeo coffee processing plants at Solomon Worku wet and dry coffee mills, DTC wet mill, Konga coop wet and dry mill, and SA Bagersh wet mill to advise on improved processing systems.

### HIDES, SKINS AND LEATHER

The project started the first round discussion with UNIDO on the framework to support the capacity building and marketing activities of our lead client TAYTU for the fiscal year 2007/2008. USAID-ATEP conducted an export performance survey for the first ten months ending April 30<sup>th</sup> 2007. Figures from MOTI showed a growth of 19.5 % in leather exports over the last year.

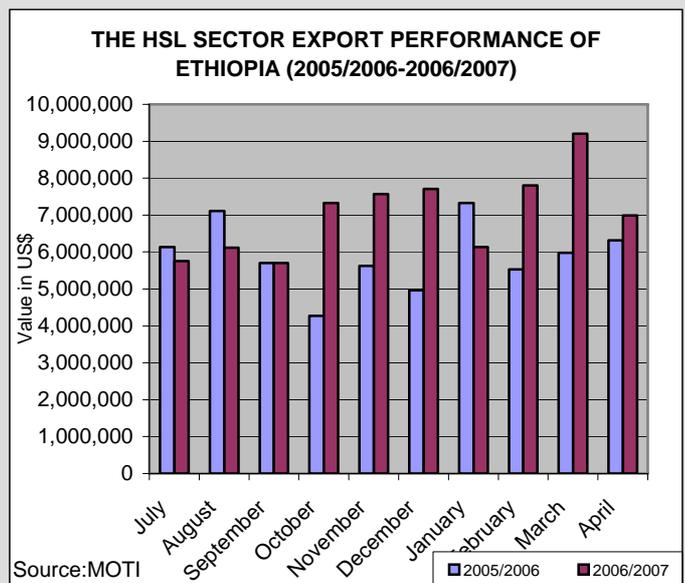
The HSL team trained 68 veterinary specialists in control of ectoparasites in SNNPR region this month at the request of the regional government. Meanwhile, a survey was conducted on the efficacy of the first two rounds of the ectoparasite treatment program in four Woredas of Amhara Region. The result of the survey showed that the level of infection decreased to less than 5%, from an estimated 80% prior to the treatment. In addition, USAID-ATEP's Dr. Kassa Bayou continued the supervision of the second round of dipping activities made by the Amhara regional government.

As reported in our April 2007 Monthly Update, sample skins were purchased from Lalogera and submitted to Pittards for processing to assess the pre-treatment level of ectoparasite damage to skins. Results of the processing of the untreated skins from Lalogera project area were received from Pittards, showing more than 90% ekek damage, and highlighting the need for control interventions.

The total fund committed by the Ethiopian Leather Industry Association (ELIA) amounting to US\$ 42,000 for funding the ekek campaign, has now been received. USAID-ATEP and ELIA will carry out this activity jointly.

### OILSEEDS AND PULSES

The project conducted training in Humera, Tigray Region on Good Agricultural Practices for Sesame Production from May 2 to 7, 2007. The training, which focused mainly on sesame agronomy, weed control, pest



*The HSL sector export performance of Ethiopia (2005/2006-2006/2007)*



*Teka Reda and Yitbarek Liben visiting the Sheba Sesame Tahina factory in Gondar, Amhara region*

and disease management, quality control and marketing, was similar to the one recently conducted in Metema, Amhara Region. In attendance were 29 participants representing Dansha Awraro and Setit Humera FCU, commercial farmers associations, development agents, Humera Research Center, and regional and zonal BOARD. Further trainings are planned from June to October 2007 to coincide with the new sesame planting season.

Since supply and availability of sesame seed (White Humera variety) in Humera and Metema is scarce, the project is working with Werer Agriculture Center (WARC) on seed multiplication.

The sector has also started working with MoARD on training workshops for soya production and began talks with HCF and FAFA, two local soya processing companies, to explore partnership possibilities.

## STAFF LIST

### Main office

Steve Humphreys, *Chief of Party*  
shumphreys@fintrac.com  
Atsede Yohannes, *Project Accountant*  
atsede@fintrac.com  
Meheret Mersia, *Sector Activity Coordinator*  
meheret@fintrac.com  
Tirsit Sisay, *Office Manager*  
tirsit@fintrac.com  
Asmare Melesse, *M&E Specialist*  
asmare@fintrac.com  
Tehetena Gezahegn, *Cluster & Consortium Partners Coordinator*  
tehetena@fintrac.com  
Hiwote Tadesse, *Accounting Assistant*  
hiwote@fintrac.com  
Meseret Agenehu, *Receptionist*  
meseret@fintrac.com  
Semere Dargie, *IT Specialist*  
semere@fintrac.com  
Zelalem Mengistu, *Logistics Coordinator/Driver*  
zelalem@fintrac.com

### Horticulture sector

Ian Chesterman, *Horticulture Manager*  
ichesterman@fintrac.com  
Gebre Michael Habte, *Trade and Investment Assistant*  
gebremichael@fintrac.com  
Melaku Tedla, *Horticulture Field Adviser*  
melaku@fintrac.com  
Semret Kifleyesus, *Horticulture Agronomist*  
semret@fintrac.com  
Eskinder Kebede, *Horticulture Agronomist*  
eskinder@fintrac.com  
Sinshaw Belay, *Horticulture Agronomist*  
sinshaw@fintrac.com  
Petros Kelbeso, *Horticulture Agronomist*  
petros@fintrac.com

### Coffee sector

Abayneh Alemu, *Coffee Manager*  
abayneh@fintrac.com  
Tefaye Negash, *Coffee Agronomist, Awassa*  
tefaye@fintrac.com  
Getachew Zeleke, *Coffee Agronomist, Jimma*  
getachew@fintrac.com

### Hides, Skins and Leather (HSL) Sector

Teshome Kebede, *HSL Manager*  
teshome@fintrac.com  
Dr. Kassa Bayou, *HSL Veterinarian*  
kassa@fintrac.com  
Alemayehu Tafesse, *HSL Technician*  
alemayehu@fintrac.com

### Oilseeds/Pulses Sector

Teka Redaa, *Oilseeds/Pulses Manager*  
teka@fintrac.com  
Etogene Geremew, *Warehouse Receipts Specialist*  
etogene@fintrac.com  
Yitbarek Liben, *Oilseeds/Pulses Agronomist*  
yitbarek@fintrac.com

### Trade and Investment Sector

Ian Sherry, *International Investment Manager*  
isherry@fintrac.com  
TSION Hailesele, *Investment Finance Specialist*  
tsion@fintrac.com  
Beamlak Tesfaye, *Communication Specialist*  
beamlak@fintrac.com

The project's Warehouse receipts specialist, Ms Etagegn Germew, conducted training on Warehouse Receipt Systems for representatives of the Ethiopian Grain Trade Enterprise (EGTE) and Damot Unions in Bure, Amhara Region. Participants were also provided with technical production manuals. In addition to the training, five primary cooperative stores were visited and advised on warehouse management and receipts systems. This will assist the government in the establishment of its commodity exchange system.

## TRADE AND INVESTMENT

USAID-ATEP made a presentation to the US ambassador in Ethiopia, His Excellency Mr. Donald Y. Yamamoto, concerning program activities in the four sectors and the results achieved to date.

In the horticulture sector, a field visit was made to Ato Abiy Astatik farm in Debre Birhan, Amhara Region. Advice was given to formulate a business plan and discussions are underway to prepare a Technology Fund Award to import new seed varieties. In addition, the loan application of D.F.T. packaging company amounting to US\$766,000 (ETB 7.0 million) for which the project provided support was approved by Dashen Bank.

In the coffee sector, the preparation of Technology Fund awards is under way for Amaro Gayo to purchase drying beds and for Limu Kosa to purchase a coffee pulping machine. The project continued working with coffee farmers in Gollolcha Woreda to help with business planning and building farmer incomes. Discussions were also held with Manchester Trade to refine the study on the coffee legal regime. An agreement was reached with a local company to work with Manchester Trade, to produce a position paper to discuss the major issues and constraints with Government to facilitate coffee trading.

In the HSL sector, the Development Bank of Ethiopia approved the loan application of Blen Development amounting to US\$427,359 to finance the partial cost of its Crocodile Farm. USAID-ATEP prepared international market data for crocodile products, which was a necessary pre-condition for the approval of the loan application with the Development Bank of Ethiopia.

In the Oilseeds and Pulses sector, Dashen Bank approved the loan application of Prosper International, a client we have been assisting for some time, which amounts to US\$538,564. The Trade and Investment team facilitated the loan using USAID's Loan Guarantee Scheme.

The first draft of the *Guide to Foreign Investors in Ethiopia – Areas Open to Foreign Investors, Modalities of Formation of Businesses and Issues* was finalized and ready for use. In addition, the preparation the draft of the foreign exchange policy of the National Bank of Ethiopia was finalized.



**USAID**  
FROM THE AMERICAN PEOPLE

## MONTHLY UPDATE – June 2007

### ETHIOPIA AGRIBUSINESS AND TRADE EXPANSION PROGRAM

*“Increasing Rural Incomes and Employment”*

#### NOTE FROM THE PROJECT DIRECTOR

June started with the USAID Africa “value chain” workshop at which experiences from around the continent were shared.

Our participation in the Private Sector Development / Donor Action Group (PSD/DAG) continues. At this month’s meeting we presented progress over the last year. Donor coordination continues to be important so that efforts are complimentary rather than overlapping, and help meet Ethiopian Government objectives.

In the horticulture sector, we are now preparing for the coming export season. The team was kept busy with the inward buyer visits by Bomfords, the largest vegetable supplier to Tesco UK, and BDS partner, Prime Seed (Zimbabwe).

The HSL sector team has taken a strong position at the top of the value chain by agreeing to help market the TAYTU leather fashion range. Please see the TAYTU website at: [www.taytu.com](http://www.taytu.com).

Later in the month during the World Bank Private sector conference, HSL Sector Manager Ato Teshome Kebede gave an excellent presentation on the cluster initiative for the Ethiopian leather sector. This led to an audience with His Excellency Prime Minister Meles Zenawi in a public-private partnership discussion, on what is really needed to boost exports.

At the end of June, the team was very happy to welcome Liliana Murillo from the Fintrac home office, who will be helping us on Monitoring & Evaluation of the work plan and the technology fund and partner fund grants over the coming year.

Steve Humphreys  
Chief of Party  
Ethiopia Agribusiness and Trade Expansion Activity



*His Excellency, US Ambassador Donald Yamamoto, visiting ATEP client, Chancho Flowers*



*Photos courtesy of Fintrac*  
*New coffee crop on drying bed for natural coffee processing at Betrework Alemu coffee farm, southwest Ethiopia.*

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 industry sectors in four regions of Ethiopia. For more information on ATEP activities, please contact:

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

Ki-Ab Building, 4th Floor Alexander Pushkin Street |  
[Opposite South African Embassy] | PO Box 70696 | Kirkos  
Subcity | Kebele 23, House #1123 | Addis Ababa, Ethiopia  
Tel: 251-11-3720060 | Fax: 251-11-3720102  
E-mail: [atep@fintrac.com](mailto:atep@fintrac.com)



*Minister of Trade and Industry Ato Girma Birru, and USAID-ATEP client, Daniel Gad at Omega farm*

## HORTICULTURE

In Ethiopia, June marks the traditional start of the main rain fed crop season. During this season, every village is engaged in ploughing land to plant the unique Ethiopian cereal crop, teff. In warmer areas, teff is supplemented by Pulses such as haricot beans, and maize.

During the wet season from mid-June to mid-September, most regions receive an average rainfall of close to 1,000mm, which makes outdoor horticulture production extremely difficult. As a result, there is a shortage of staple vegetables that inevitably leads to higher prices in local markets.

The wet season also coincides with the traditional off-season for commercial exports of flowers and vegetables. The Middle East markets have their peak import demand from May to October, since summer temperatures there reduce local production. The synergy between key market demand periods of EU and the Middle East places Ethiopia in a favorable position for supplying year-round exports, which we will try to develop further.

The Ethiopian Horticulture Producers and Exporters Association (EHPEA) was established to promote and maintain the competitive position of the Ethiopian horticulture and floriculture industry with in the global market. To meet these objectives EHPEA developed a **Code of Practice** on sustainable production for the floriculture industry in Ethiopia. Deputy Prime Minister and Minister of Agriculture Ato Addisu Legesse officially launched the code of practice on June 29<sup>th</sup>, marking an important milestone in the development of the industry. The code contains many recommendations on IPM for which USAID-ATEP has already provided training.

We had several important visitors to the horticulture clients in June. Over the last ten years, the Ministry of Trade and Industry has been a key sponsor of the growth of floriculture industry in Ethiopia. During his visit to the

Omega Farm pea trials, Minister Ato Girma Birru confirmed his support for USAID-ATEP's partnership with EHPEA in promoting horticulture exports. US Ambassador to Ethiopia, His Excellency Mr. Donald Y. Yamamoto, expressed similar support during his visit to the trial site at client Chancho Flowers.

In addition, Simon Henry, the Development Director of Bomfords in UK, reinforced market support for the emerging horticultural industry during a visit to various growers. The theme of positive opportunities for vegetable exports was also the central focus of the agronomy advice given by representatives of Prime Seeds of Zimbabwe during its farm tours with leading commercial growers in the Rift Valley. The company will be an important BDS partner for us.

## SPECIALTY COFFEE



*Ato Abayneh Alemu and Ato Chafisa, Homeland Coffee manager, at their demonstration site, Kaffa*

USAID-ATEP conducted coffee agronomy training at Dedessa Coffee Farm this month. In addition, training on coffee production systems was conducted for twenty (20) coffee supplying beneficiary farmers at Amaro Gayo Plc in the southern Sidamo area.

The coffee sector manager along with field agronomists also conducted field visits to client farms including Kaffa Forest Coffee Union, Homeland Coffee, Green Coffee, Benchi –Maji Union, Gashaw Kifle Coffee, Betetwork Alemu Coffee, Gemadro Coffee and Tepi Union. The twenty seven (27) demonstration sites in the southwest area are being maintained and will serve as training centers in the coming months. Next month we will restart cupping training and launch training campaign on harvesting in 73 woredas.

## HIDES, SKINS AND LEATHER

USAID-ATEP signed a memorandum of cooperation with UNIDO aimed at defining the respective roles and activities of the two groups related to the "Made in Ethiopia" leather goods collections and accessories at international trade fairs.



*Photo courtesy of Fintrac*

*Products such as this beautiful handbag are just one example from the TAYTU collection. The group is currently developing its Fall 2007 collection with project assistance.*



*Casual footwear made by KH Leather. A strategy is being developed by USAID-ATEP to help the company add value to leather products on a commercial scale.*

The leather trade fair in New York City, “The Train,” will be held September 16 to 18, 2007. The second trade fair in Paris, “The Box,” will be held October 5 to 9, 2007. The project will promote the collections of our lead client, TAYTU, at both events.

Under a Partner Fund award, the project will also support the institutional capacity building of TAYTU. The award amounts to US\$85,886, of which 47% will be covered by USAID/ATEP. This intervention will enable TAYTU to have a full-time management team and showcase facility with the necessary infrastructure to host international client visits and meet buyer requirements.

An agreement was also reached to employ an international leather marketing expert to lead our activities and for the next four months. Ms. Holly Hikido, who will work with the TAYTU consortium in tandem with the UNIDO-supported efforts of Italian designer Barbara Garducci in order to help TAYTU prepare its autumn/ fall and spring collections.

USAID-ATEP has started negotiations with potential buyers of finished leather accessories from the US. Negotiations with Hungarian buyers of crust and finished leather gloves are also going on. An agreement has been reached to host a Hungarian delegation in Ethiopia to visit the tanning industry, evaluate the qualities available and discuss terms and conditions of supply.

The final draft of the needs assessment by University of Northampton on LLPTI was finalized and submitted by consultant and UN faculty member Professor Mark Wilkinson.

## OILSEEDS AND PULSES

Planting of haricot beans and sesame seed takes place during the crop season of Meher, which starts the first week of July. The project is addressing the present shortfall in seed availability through partner agreements with Melkasa and Werer Research Stations to carry out seed multiplication. According to MoARD, national demand for seed reaches 5,700 MTs for haricot beans and 292 MTs for sesame seed. However, the available quantity is only 400t for haricot bean seed and 20t for sesame seed.

Discussions were held with the Relief Society of Tigray (REST) concerning USAID-ATEP activities in sesame production in Tigray. Setit Humera Farmers Cooperative Union (SHFCU) will be receiving technical assistance on Soya bean and vegetable production in Humera, Angereb and Raye areas.

The project is also planning to assist SHFCU with a technology fund for the purchase of cleaning machine to add value to its existing exports of approximately 600 MTs of sesame.

Also in June, the project worked with the UN’s World Food Program (WFP) procurement section, and the National Farmers Cooperative Commission on possibilities and procedures to procure haricot beans directly from cooperatives that hold warehouse receipts during the coming crop season.

USAID-ATEP also facilitated and coordinated a study tour on grades and standards to South Africa and Kenya for MoARD officials, as well as board members of EHPEA and EPOSPEA. The delegates will gain valuable experience on how grades and standards are developed, established and monitored in these countries.

## STAFF LIST

### Main Office

Steve Humphreys, *Chief of Party*  
shumphreys@fintrac.com  
Atsede Yohannes, *Project Accountant*  
atsede@fintrac.com  
Meheret Mersia, *Sector Activity Coordinator*  
meheret@fintrac.com  
Tirsit Sisay, *Office Manager*  
tirsit@fintrac.com  
Liliana Murillo, *M&E and Partner Fund Coordinator*  
liliana@fintrac.com  
Asmare Melesse, *M&E Specialist*  
asmare@fintrac.com  
Tehetena Gezahegn, *Cluster & Consortium Partners Coordinator*  
tehetena@fintrac.com  
Hiwote Tadesse, *Accounting Assistant*  
hiwote@fintrac.com  
Meseret Agenehu, *Receptionist*  
meseret@fintrac.com  
Semere Dargie, *IT Specialist*  
semere@fintrac.com  
Zelalem Mengistu, *Logistics Coordinator/Driver*  
zelalem@fintrac.com

### Horticulture Sector

Ian Chesterman, *Horticulture Manager*  
ichesterman@fintrac.com  
Gebre Michael Habte, *Trade and Investment Assistant*  
gebremichael@fintrac.com  
Melaku Tedla, *Horticulture Field Adviser*  
melaku@fintrac.com  
Semret Kifleyesus, *Horticulture Agronomist*  
semret@fintrac.com  
Eskinder Kebede, *Horticulture Agronomist*  
eskinder@fintrac.com  
Sinishaw Belay, *Horticulture Agronomist*  
sinishaw@fintrac.com  
Petros Kelbeso, *Horticulture Agronomist*  
petros@fintrac.com

### Coffee Sector

Abayneh Alemu, *Coffee Manager*  
abayneh@fintrac.com  
Tesfaye Negash, *Coffee Agronomist, Awassa*  
tesfaye@fintrac.com  
Getachew Zeleke, *Coffee Agronomist, Jimma*  
getachew@fintrac.com

### Hides, Skins and Leather (HSL) Sector

Teshome Kebede, *HSL Manager*  
teshome@fintrac.com  
Dr. Kassa Bayou, *HSL Veterinarian*  
kassa@fintrac.com  
Alemayehu Tafesse, *HSL Technician*  
alemayehu@fintrac.com

### Oilseeds/Pulses Sector

Teka Redaa, *Oilseeds/Pulses Manager*  
teka@fintrac.com  
Etagene Geremew, *Warehouse Receipts Specialist*  
etagene@fintrac.com  
Yitbarek Liben, *Oilseeds/Pulses Agronomist*  
yitbarek@fintrac.com

### Trade & Investment Team

Ian Sherry, *International Investment Manager*  
isherry@fintrac.com  
TSION Hailesele, *Investment Finance Specialist*  
tsion@fintrac.com  
Beamlak Tesfaye, *Communication Specialist*  
beamlak@fintrac.com



Photo courtesy of Fintrac

Mr. Yitbarek Liben, USAID/ATEP agronomist, giving training on improving production of sesame in Humera, Tigray Regional State

## TRADE AND INVESTMENT

USAID-ATEP conducted a full briefing to MoARD's marketing section concerning the objectives of the project. The annual workplan and the methodologies were explained in detail. In addition, discussions were held on improving delivery to smallholder farmers.

The project also took part in a World Bank sponsored conference to accelerate private sector led growth in Ethiopia.

In the Horticulture sector, the preparation of a business plan and technology fund is under way for DFT Packaging Company to purchase machinery for export carton production.

In the oilseeds and pulses sector, the business plan of Warka Trading was finalized with the assistance of USAID-ATEP and further discussion were held to present the group with a Technology Fund award. The preparation of a US\$50,000 Technology Fund award for client Prosper International for the purchase of a de-hulling and cleaning machine was finalized. In addition, the review of the business plan of Al-Impex is in hand, and once completed, assistance will be provided by the project. Both initiatives will add value to Ethiopia's current sesame exports.

The first draft of *The Alternative Sources of Finance and Investment and Their Availability to the Agribusiness Sector in Ethiopia* was finalized. USAID-ATEP uses this study to guide its clients in accessing non-bank financial and investment sources. The project also completed the preparation of four quarterly newsletters for client associations in each sector that were distributed to the members of the following associations: The Ethiopian Coffee Exporters Association (65 members), Ethiopian Horticulture Producers and Exporters Association (66 members), Ethiopian Pulses, Oilseeds, Spices Processors and Exporters Association (42 members) and the Ethiopian Leather Industry Association (40 members).

## **Annex III: Market Updates**



**USAID**  
FROM THE AMERICAN PEOPLE



**Ethiopia Agribusiness and Trade Expansion Program**

# Market Update:

# Summer Flowers

Number 03

June 2007

**Summer Flowers Overview:** Opportunities in Ethiopia for summer flower production, with reference to production in Ecuador, based on background discussions between Gerard Pothuis, managing director of Horticamp, and Ian Chesterman, USAID-ATEP horticulture sector manager.

ISSUES FOR ETHIOPIAN PRODUCTION:

- Many crops may require tunnel investment for the rainy season, thereby making capital costs uncompetitive as compared with the optimum climate of Ecuador.
- Most varieties prefer light sandy soils. Heavy soils in Ethiopia may lead to high plant mortality rates, mainly due to poor drainage & cold waterlogged soil.
- Plant replacement costs from mortality can completely undermine the feasibility of the operation. For example, gypsophilia plants at Euro 0.65 each @ 70,000 plants/Ha @ 50% rainy-season mortality = potential E22,750/Ha/p.a replacement cost.
- Hail is also a significant risk in specific locations. The cost of infrastructure to prevent hail damage may not be covered by the price premium from better quality, and it may be better to go to a lower elevation site.

**Table 1: Plant Specifics**

Plant	Description
<b>Gypsophilia</b>	<ul style="list-style-type: none"> <li>• Does not like excess water – problematic during the rainy season. This risk may require tunnel production, which will probably have a negative impact on stem quality.</li> <li>• Sales price guides: Best quality Ecuador stems at €2.20/kg versus Ethiopian stems at €1.85/kg</li> </ul>
<b>Sunflower</b>	<ul style="list-style-type: none"> <li>• Small Japanese varieties like Sunlight &amp; Sunbright.</li> <li>• Ecuador pays airfreight costs to Europe of around US\$2.10/kg to 2.20/kg so there may be a competitive advantage for Ethiopia.</li> </ul>
<b>Alstromeria</b>	<ul style="list-style-type: none"> <li>• Best at high altitudes of 2,500m and requiring greenhouses</li> <li>• Expensive planting material @ US\$200,000/Ha</li> </ul>
<b>Gerbera</b>	<ul style="list-style-type: none"> <li>• Best at warmer sites such as Debrezeit at 1,800m</li> <li>• Difficult flower for packing because of large, round, easily-damaged heads</li> </ul>

Table 1: Plant Specifics	
Plant	Description
<b>Zantedeschia</b>	<ul style="list-style-type: none"> <li>• One of the most technically-challenging and problematic of all summer flowers, requiring an extremely high level of competence from the grower</li> <li>• Prone to soil diseases, prefers sandy soil</li> <li>• The technology of reproducing bulbs is secretive and closely-guarded</li> <li>• Bulbs that are offered on the open-market or easily available are highly likely to be infected with significant soil disease</li> </ul>
<b>Lilies</b>	<ul style="list-style-type: none"> <li>• Very high annual bulb cost</li> <li>• Prefers sandy soil</li> </ul>
<b>Eryngium</b>	<ul style="list-style-type: none"> <li>• Market preference is varietal specific</li> <li>• Bulb production is a closed-shop, with a few breeders</li> </ul>
<b>Carnations</b>	<ul style="list-style-type: none"> <li>• One of the few summer flowers that prefers heavy soils</li> <li>• Potential for the quality-orientated “Standard” carnation – big head type</li> </ul>
<b>Ornamental Eucalyptus</b>	<ul style="list-style-type: none"> <li>• Strong demand from the bouquet industry</li> <li>• Good potential for development in Ethiopia</li> </ul>
<b>Hypericum</b>	<ul style="list-style-type: none"> <li>• Good potential with niche-market varieties at higher altitude sites</li> <li>• Specifically orientated as a premium quality product for high end channels</li> </ul>



# Market Update:

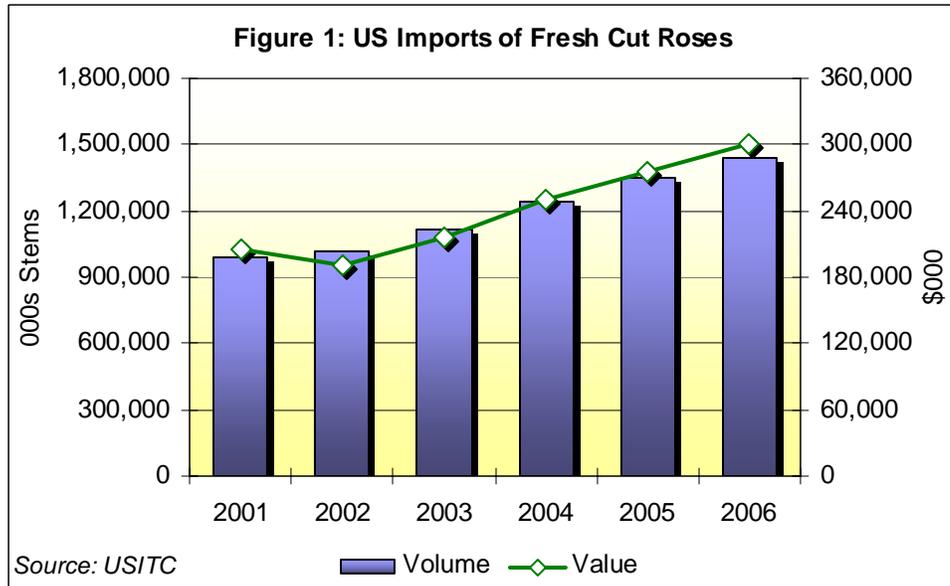
# Fresh Cut Roses

Number 04

June 2007

To assess the current US import-distribution system for fresh cut roses, USAID-ATEP has compiled the following United States customs trade data on import volumes and values, major supplier countries, US points of entry, and seasonality of shipments.

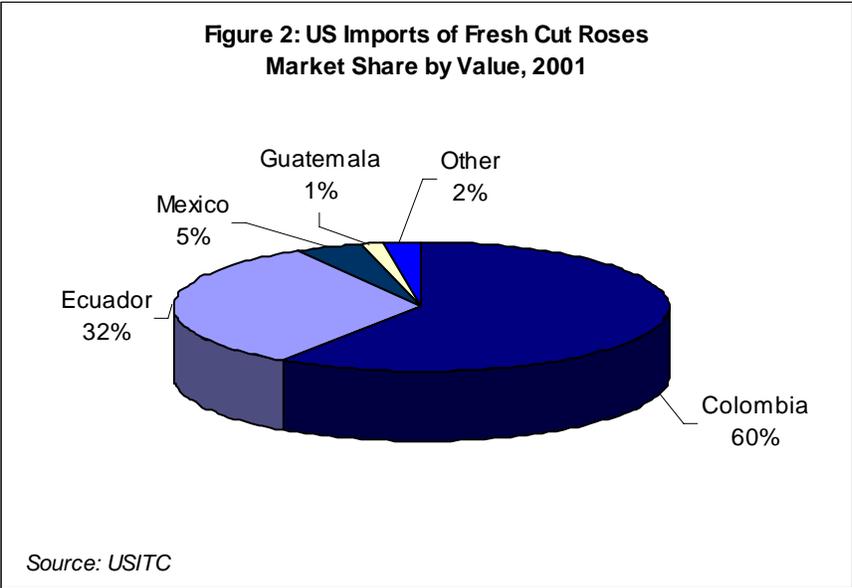
US imports of fresh cut roses have been growing steadily each year since 2001, with an average annual growth rate of 8 percent (Table 1, Figure 1). Colombia and Ecuador accounted for 96 percent of the total import volume in 2006. The leading African suppliers of fresh cut roses are Kenya and Uganda. Combined, these two countries only accounted for 0.7 percent of total import volume in 2006.



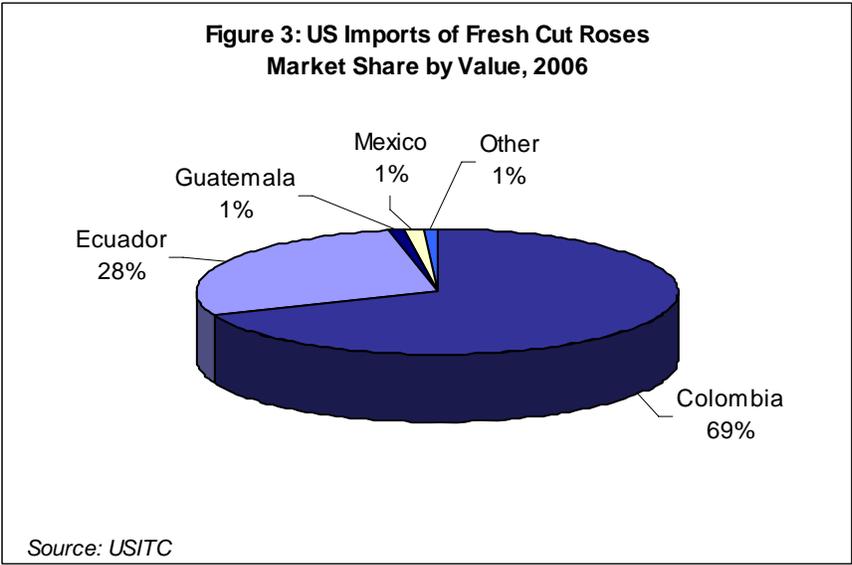
Country	2001		2002		2003		2004		2005		2006	
	Stem 000s	US\$000s	Stem 000s	US\$000s	Stem 000s	US\$000s	Stem 000s	US\$000s	Stem 000s	US\$000s	Stem 000s	US\$000s
Colombia	570,190	122,345	644,196	122,467	719,415	144,814	803,554	169,609	902,478	189,069	958,943	205,928
Ecuador	360,360	66,132	309,045	52,982	341,518	59,787	382,992	69,391	387,398	74,277	420,564	82,694
Costa Rica	284	62	384	78	3,716	406	10,740	746	14,903	918	17,263	1,855
Guatemala	14,297	2,873	13,049	2,804	16,737	3,763	17,563	3,801	14,874	3,544	14,877	3,636
Mexico	31,132	9,409	23,043	7,359	10,548	3,583	12,833	3,609	14,501	4,341	13,609	4,075
Kenya	74	9	3,036	349	7,781	696	7,107	593	7,825	803	8,162	733
Netherlands	6,195	2,082	7,217	2,218	6,228	1,861	4,128	1,312	3,331	1,067	3,184	1,207
Uganda			92	9							1,264	237
Ethiopia									172	22	488	23
Canada	3,089	1,783	1,651	1,163	1,907	1,092	1,437	893	356	284	424	245
South Africa	774	84	83	10	12	9	162	31	1,890	320	170	24
Zimbabwe	30	2	41	4	120	7	55	10			124	21
Israel	4,024	615	5,010	687	1,922	279	26	8	245	53	61	8
Zambia	1,835	174	1,318	115							22	5
Peru	286	44			27	6	240	61	34	3	1	3
Other	955	80	6,006	466	3,474	352	119	42	89	35	15	8
<b>Total</b>	<b>993,525</b>	<b>205,694</b>	<b>1,014,171</b>	<b>190,711</b>	<b>1,113,405</b>	<b>216,655</b>	<b>1,240,956</b>	<b>250,106</b>	<b>1,348,096</b>	<b>274,736</b>	<b>1,439,171</b>	<b>300,702</b>

Source: USITC

HTS 06031060: Roses, fresh cut



Colombia has strengthened its share of the US import market over the last several years. Ecuador has also increased exports, albeit at a slower rate than Colombia: between 2001 and 2006, Ecuador's market share by value decreased 7 percent, while Colombia's share grew 9 percent. At 69 percent, Colombia's market share in 2006 was valued at \$206 million. Ecuador's share, at 28 percent, represented \$87.2 million, while all other international suppliers accounted for just 3 percent of the fresh cut rose market (approx. \$12.1 million).



In 2006, fresh cut rose imports entered the US through 19 different ports, including Puerto Rico (Table 3). Seven ports were on the Atlantic seaboard, while five ports were on the Pacific. Miami served as the most economically important port, accounting for 90 percent of all import volume. The second most important port, Los Angeles, California, accounted for just 8 percent of total fresh cut rose volume imported in 2006.

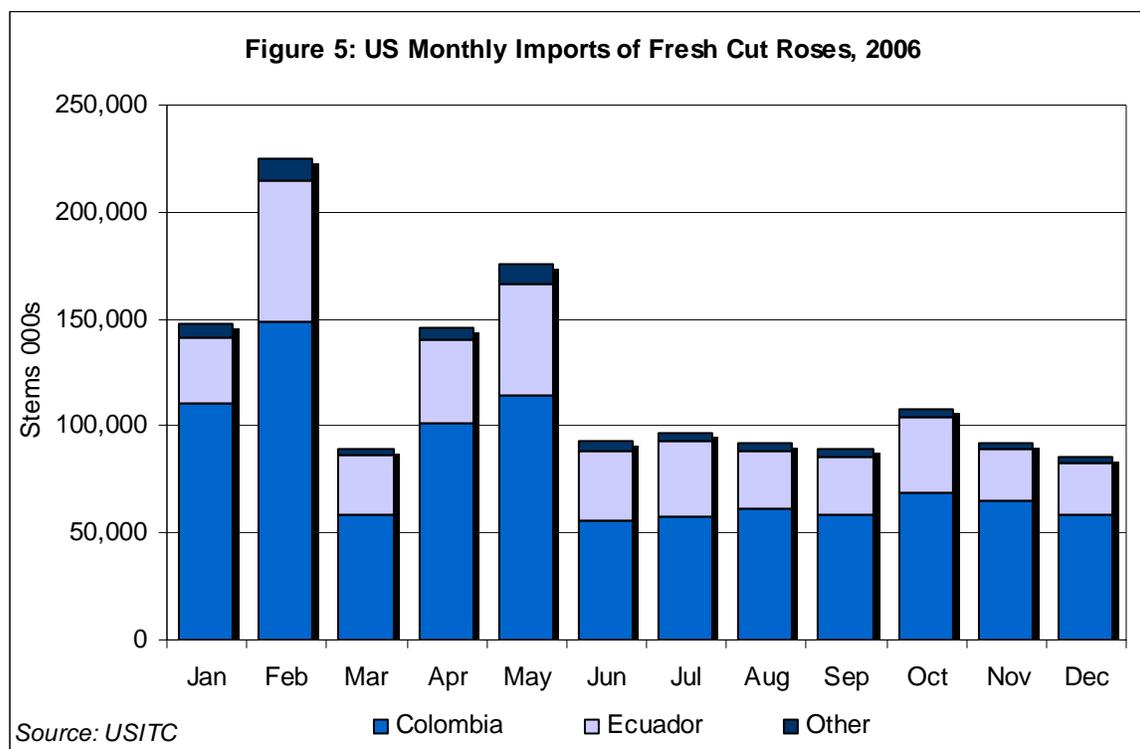
Ethiopia appeared as a supplier of fresh cut roses in 2005, when it shipped \$22,000 worth of roses to the US. A similar value was shipped in 2006, although volumes were higher (Table 1). Ethiopian roses presently enter the US market through Miami, Florida.

<b>Table 3: US Imports of Fresh Cut Roses by Point of Entry and Supplier Country, 2006 (Volume in Stems 000s)</b>			
<b>Port of Entry</b>	<b>Supplier Country</b>	<b>Subtotal</b>	<b>Total</b>
<b>Miami, FL</b>	Colombia	906,833	<b>1,291,625</b>
	Ecuador	344,959	
	Guatemala	12,965	
	Costa Rica	17,242	
	Kenya	6,093	
	Netherlands	1,564	
	Uganda	1,244	
	Ethiopia	488	
	Zimbabwe	124	
	Mexico	7	
	South Africa	73	
	Israel	32	
	Peru	1	
<b>Los Angeles, CA</b>	Ecuador	67,222	<b>112,386</b>
	Colombia	42,970	
	Guatemala	1,844	
	Netherlands	124	
	Mexico	182	
	Costa Rica	21	
	Uganda	20	
	Japan	1	
	New Zealand	2	
	<b>New York, NY</b>	Ecuador	
Netherlands		648	
Colombia		666	
Kenya		1,232	
South Africa		97	
Guatemala		20	
Israel		28	
Brazil		13	
<b>San Juan, PR</b>		Colombia	8,051
	Ecuador	23	
<b>Laredo, TX</b>	Mexico	6,650	<b>6,650</b>
<b>San Diego, CA</b>	Mexico	6,610	<b>6,611</b>
	Colombia	1	
<b>Dallas-Fort Worth, TX</b>	Ecuador	1,261	

<b>Table 3: US Imports of Fresh Cut Roses by Point of Entry and Supplier Country, 2006 (Volume in Stems 000s)</b>			
<b>Port of Entry</b>	<b>Supplier Country</b>	<b>Subtotal</b>	<b>Total</b>
	Kenya	272	
	Guatemala	48	
	Colombia	55	
	Netherlands	15	
			<b>1,651</b>
<b>Chicago, IL</b>	Netherlands	670	
	Kenya	443	
	Zambia	22	
	Mexico	10	
			<b>1,145</b>
<b>Buffalo, NY</b>	Canada	231	
	Ecuador	144	
	Colombia	44	
			<b>419</b>
<b>Savannah, GA</b>	Colombia	218	
	Kenya	122	
	Ecuador	5	
			<b>345</b>
<b>Detroit, MI</b>	Canada	141	
	Colombia	15	
	Ecuador	12	
			<b>168</b>
<b>Seattle, WA</b>	Canada	50	
	Colombia	52	
	Mexico	17	
			<b>119</b>
<b>Houston-Galveston, TX</b>	Mexico	66	
	Ecuador	26	
	Colombia	15	
			<b>107</b>
<b>Philadelphia, PA</b>	Netherlands	70	
			<b>70</b>
<b>San Francisco, CA</b>	Netherlands	50	
	Mexico	18	
			<b>68</b>
<b>Columbia-Snake, OR</b>	Mexico	49	
			<b>49</b>
<b>Boston, MA</b>	Netherlands	32	
			<b>32</b>
<b>New Orleans, LA</b>	Colombia	22	
	Netherlands	7	
			<b>29</b>
<b>Washington, DC</b>	Netherlands	5	
			<b>5</b>
<b>Total</b>			<b>1,439,168</b>

Source: USITC

There is a seasonal trend with respect to US rose imports corresponding to the busy retail period of January to May, when holidays such as Valentine's Day (February 14<sup>th</sup>) and Mother's Day (second Sunday in May of each year) see high sales.



Of the total value of fresh cut roses imported in 2006 of \$300 million, around \$57 million (19 percent) was traded in February alone.

**Table 4: US Monthly Imports of Fresh Cut Roses, 2006 (Stems 000s)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Colombia	110,164	148,888	58,316	101,374	114,405	55,534	57,929	61,779	58,142	69,110	65,109	58,193
Ecuador	31,520	65,752	27,672	38,823	51,936	32,750	34,611	26,522	27,421	35,118	24,148	24,291
Guatemala	1,116	2,229	716	1,261	2,852	1,068	845	862	1,055	1,246	850	777
Mexico	1,346	4,281	458	1,095	2,715	646	451	751	585	559	234	489
Costa Rica	1,190	952	1,391	1,728	1,920	1,505	1,294	1,651	1,676	1,718	1,112	1,127
Netherlands	18	732	160	456	762	195	209	139	277	132	17	89
Kenya	1,762	1,433	831	1,058	627	1,000	847	120	290	24	145	24
Zimbabwe												124
Ethiopia	120					265						103
Peru				1								
Brazil		13										
Uganda	178	290			202	347	77			170		
Zambia				13	9							
S. Africa	72	8				17				54	19	
N. Zealand									2			
Other	34	126	11	74	115	8		6	44	65	4	
<b>Total</b>	<b>147,520</b>	<b>224,704</b>	<b>89,555</b>	<b>145,883</b>	<b>175,543</b>	<b>93,335</b>	<b>96,263</b>	<b>91,830</b>	<b>89,492</b>	<b>108,196</b>	<b>91,638</b>	<b>85,217</b>

Source: USITC

HS Code: 06031060: Roses, Fresh Cut



# Market Update:

# Bobby Beans

Number 05

June 2007

## HORTICULTURAL EXPORT. POST-HARVEST VALUE CHAIN ANALYSIS FOR BOBBY BEANS

<b>UPDATED - JUNE 2007</b>						
Exchange Rates B: Euro		12.01				
Exchange Rates Stg: Euro		1.45				
Exchange Rates B: \$		8.95				
Exchange Rates \$: Euro		1.34				
<b>BOBBY BEANS</b>	Kg's	Gross weight/box	5.6	Sales/Costs	COSTS	COSTS
	Kg's	Net weight/box	5.0	Euros Per Box	Sub-Total	% Sales
<b>SALES INVOICE PRICE PAID BY END CUSTOMER</b>			<b>AMSTERDAM MARKET</b>	<b>12.50</b>	12.500	100.0
Hage Commission			8% of Invoice Price	1.00		
Hage Handling		E0.13/Box		0.13		
Transport - Brussels to Barendrecht				0.33		
Airport Handling charges		Euro / Gross Kg	0.09	0.50		
<b>C&amp;F PRICE / BOX</b>			<b>BRUSSELS AIRPORT</b>	<b>10.54</b>	<b>1.964</b>	<b>15.7</b>
AIRFREIGHT COST in US\$/Kg			1.72	7.19		
Freight Handling charges in US\$/Kg			0.05	0.21		
Pack house to Airport delivery cost			\$25 for a 500Kg pallet in the lorry	0.21		

<b>FOB VALUE / BOX</b>			<b>ADDIS ABABA AIRPORT</b>	<b>2.93</b>	<b>7.606</b>	<b>60.8</b>
<b>PACKHOUSE GROSS MARGIN / BOX</b>				<b>0.22</b>	<b>0.225</b>	<b>1.8</b>
<b>TOTAL PACKHOUSE DIRECT COST/BOX</b>			<b>ZIWAY PACKHOUSE</b>	<b>2.71</b>		
Packaging cost - Box one piece 2kg		Birr	4.9	0.41		
Packaging cost - Box Liner						
Packaging cost - Punnet or Bag						
Packaging cost - Label						
Packaging cost - Strapping 2 boxes together for freighting loose				0.01	<b>0.416</b>	<b>3.3</b>
Direct Labor cost - Grading & Top & Tailing			Per Box	0.10		
Direct Labor cost - Packing			Per Box	0.06		
Production Overhead Labor -			QC's, cleaners, maintenance etc	0.01		
Labor Transport - Buses			Per Box	0.01	<b>0.176</b>	<b>1.4</b>
Electricity & Water			Per Box	0.01		
Maintenance			Per Box	0.01		
Refrigeration			Per Box	0.03		
Laundry & Cleaning & Clinic Sundries			Per Box	0.01		
			Per Box	0.01	<b>0.057</b>	<b>0.5</b>
<b>Raw Material Cost / Box</b>	<b>Incl 6% Tare</b>	<b>Birr/Kg</b>	<b>4.94</b>	<b>2.06</b>	<b>2.056</b>	<b>16.5</b>
Raw Material Cost -			Birr/Kg	4.66		
Pack out (% of incoming raw material finally packed out)				50%		
Bulk Crop Cost delivered to Pack house			Birr/Kg	2.33		
Crop Transport in crates cost			Birr/Kg	0.13		
Ex-Farm bulk Crop Price			Birr/Kg	2.2		
<b>EX-FARM PRICE PER KG OF CROP</b>			<b>Birr/Kg</b>	<b>2.2</b>		
<b>FARM - GROSS MARGIN / KG SOLD</b>						
<b>FARM PRODUCTION COST</b>						
Gross Yield			Per Kg			
String & Poles			Kg / Ha			
Irrigation			Birr / Ha			
Labor			Birr / Ha			
Agrochemicals			Birr / Ha			
Fertilizer			Birr / Ha			
Seed			US\$ Per Ha			
Land Preparation			Birr / Ha			



# Market Update:

# Peas

Number 06

June 2007

## HORTICULTURAL EXPORT. POST HARVEST VALUE CHAIN ANALYSIS FOR PEAS UPDATED - MAY 2007

Exchange Rates B: Stg	15.15
Exchange Rates B: \$	8.95
Exchange Rates \$: Stg	1.97

MANGETOUT / SUGAR SNAPS		Gross weight/box	2.2	Sales/Costs	COSTS COSTS	
		Net weight/box	1.8	Sterling Per Box	Sub-Total	% Sales
<b>SALES INVOICE PRICE PAID BY END CUSTOMER</b>				<b>4.25</b>	4.250	100.0
Shona Products Marketing Commission in the U.K.			5% of Invoice Price	0.21		
Transport Costs						
Airport Handling charges		Stg / Gross Kg	0.15	0.33		
<b>C&amp;F PRICE / BOX</b>				<b>3.71</b>	<b>0.543</b>	<b>12.8</b>
AIRFREIGHT COST in US\$/Kg			1.75	1.95		
Addis Freight Handling charges in US\$/Kg			0.05	0.06		
Pack house to Airport delivery cost			\$25 for a 500Kg pallet in the lorry	0.06		
<b>FOB VALUE / BOX</b>				<b>1.64</b>	<b>2.066</b>	<b>48.6</b>
<b>PACKHOUSE GROSS MARGIN / BOX</b>					<b>0.140</b>	<b>3.3</b>
<b>TOTAL PACKHOUSE DIRECT COST/BOX</b>				<b>1.50</b>		
Packaging cost - Box one piece 2kg		Birr	4.9	0.32		
Packaging cost - Box Liner						
Packaging cost - Punnet or Bag						
Packaging cost - Label						
Packaging cost - Strapping 2 boxes together for freighting loose				0.01	<b>0.335</b>	<b>7.9</b>
Direct Labour cost - Grading & Top & Tailing				Per Box	0.14	
Direct Labour cost - Packing				Per Box	0.08	
Production Overhead Labour -				QC's, cleaners, maintenance etc	0.02	
Labour Transport - Buses				Per Box	0.01	<b>0.255</b>
Electricity & Water				Per Box	0.01	
Maintenance				Per Box	0.01	
Refrigeration				Per Box	0.04	
Laundry & Cleaning & Clinic				Per Box	0.01	
Sundries						
				Per Box	0.01	<b>0.082</b>
						<b>1.9</b>

<b>Raw Material Cost / Box</b>					
Tare	7%	6.98	0.83	<b>0.829</b>	<b>19.5</b>
Raw Material Cost -	Birr/Kg	6.97			
Packout (% of incoming raw material finally packed out)		70%			
Bulk Crop Cost delivered to Packhouse	Birr/Kg	4.88			
Crop Transport in crates cost	Birr/Kg	0.13			
Ex-Farm bulk Crop Price	Birr/Kg	4.75			
<b>EX-FARM PRICE PER KG OF CROP</b>		<b>Birr/Kg</b>	<b>4.75</b>		
FARM - GROSS MARGIN / KG SOLD					
FARM PRODUCTION COST					
Gross Yield	Per Kg				
String & Poles	Kg / Ha	7,500			
Irrigation	Birr / Ha				
Labour	Birr / Ha				
Agrochemicals	Birr / Ha				
Fertiliser	Birr / Ha				
Seed	\$8.6/Kg C&F	US\$ Per			
Land Preparation	Addis	Ha	430.00		
		Birr / Ha			