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QUARTERLY REPORT 08 – January-March 2008

AGRIBUSINESS AND TRADE EXPANSION PROGRAM (ATEP)

“Increasing Rural Incomes and Employment”



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USAID Agribusiness and Trade Expansion Program

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1.0 Executive Summary

This is the eighth quarterly report for the Ethiopia Agribusiness and Trade Expansion Program (the project) covering the period January to March, 2008. The project works with public and private sector partners throughout Ethiopia to improve agricultural sales and competitiveness, as well as helping create new employment. Areas of emphasis include improving agronomic practices, introducing value-added and productivity-enhancing technologies, promoting investments, establishing grades and standards, improving access to inputs, better transport, and other infrastructure upgrades. We assist in creating linkages with buyers in East African, Middle Eastern, European, Japanese and US markets.

Major achievements this quarter include:

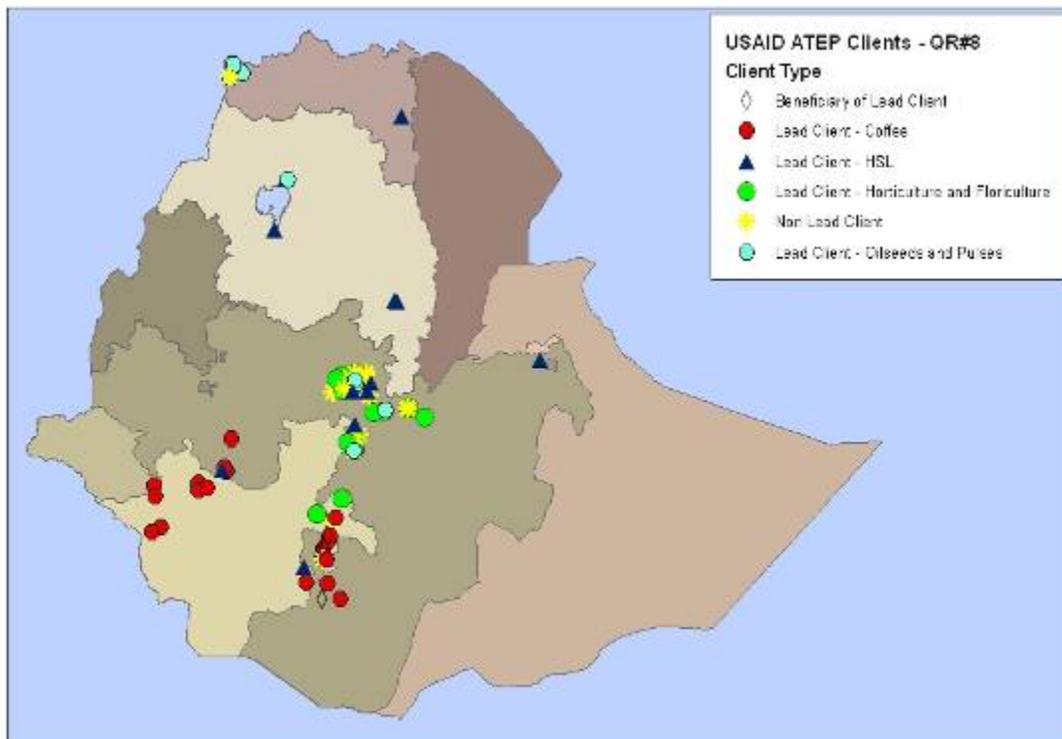
- \$8.6 million in client and partner investments leveraged to date in improved agricultural production and processing technologies (production systems, processing equipment, infrastructure, etc.).
- 18,890 farmers, processors, collectors, suppliers and extension agents have been trained including 1,707 this quarter in 48 different events.
- British Retail Consortium (BRC) and food safety training for 545 employees and managers at Jordan Herbs and Ilan Tot farms through 15 events. BRC audits will take place in early April. This certification will provide new market opportunities with UK supermarkets and better prices for the Ethiopian producers.
- Horticulture sector investments by the project's lead clients amounting to US\$5.4 million, mainly in infrastructure such as greenhouses, packhouses, irrigation systems, and plant breeding materials.
- 13 new cuppers from the Coffee Liquoring Unit (CLU) staff of Addis Ababa and Dire Dawa, Oromia and SNNPR Agriculture Bureaus were trained and certified to be Q graders. This brings the number of Q graders in Ethiopia to 25, the highest of any African coffee-producing country.
- The Jimma Coffee Round Table took place in February with the participation of 55 international and local buyers, producers, processors and researchers. The event promoted new market linkages between the participants.
- Over 38,000 sheep and goats were treated for ectoparasites in the 'Laloguera' Pilot Project during the 3rd round of treatment.
- Lead Client Zi-Andeta planted 12.6 hectares (5 more pending) of certified seed from the Melkassa Research Center multiplication initiative co-sponsored by ATEP.
- Pilot project in Harerge trained 26 lead farmers on business planning, reaching a total of 606 households to date.
- HIV/AIDS training took place with 287 participants on coffee areas in cooperation with USAID-funded partner health NGO, Pathfinder.

Project expenditures are on target. To date, \$6,733,800 or 64 percent of the project budget has been expended. The updated PMP is attached as an annex to this report. This document and all other project publications are available to USAID through the password-protected ATEP intranet site: www.fintrac.com/ethiopia.

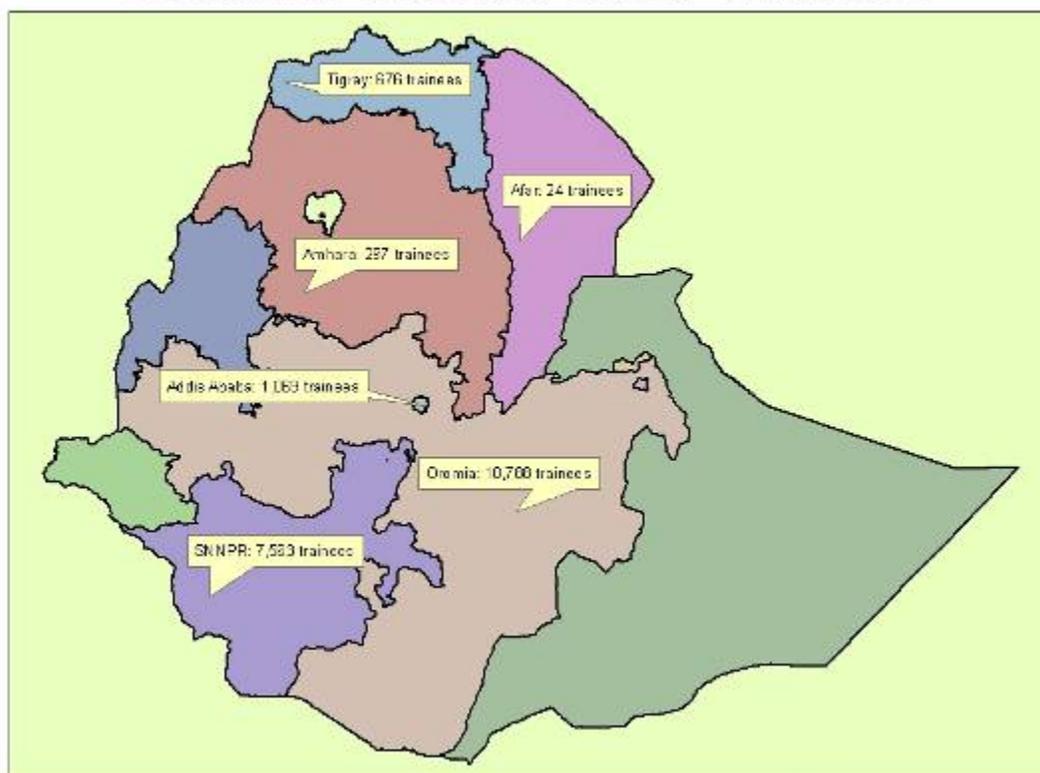
2.0 Introduction

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 Ethiopian farmers, processors, traders and exporters. These clients produce and export a wide range of products, including horticulture, coffee, oilseeds, pulses, and hides, skins and leather goods. Project technicians are providing training and technical assistance to producers, traders, processors, and exporters, including over 66,000 smallholder producers.

In the twenty-three (23) months since project inception, export quality from participating coffee, sesame, and hides producers has increased; model packhouses, collection centers, and cupping labs have been built; export programs for new fresh produce items have been established; and more buyers from around the world are sourcing Ethiopia’s agricultural exports. In addition, the project addresses cross-cutting issues in policy, organizational development, BDS/partner alliances, gender mainstreaming, environmental management, and HIV/Malaria awareness and prevention. Its geographic coverage includes the regions of Tigray, Amhara, Oromia, and the SNNPR.



USAID ATEP Training by Region - March 2008



3.0 Progress to Date

This section provides a summary of activities carried out in each sector, pegged to the performance monitoring plan (PMP Version 15) approved by USAID and the Project Advisory Committee (Annex I).

3.1 Section 1: Startup, Communications, and Reporting

Three Monthly Bulletins were completed and distributed to USAID, Steering Committee members, and counterparts. The Performance Monitoring Plan was updated as of March 31st 2008. 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

3.2 Section 2: Monitoring & Evaluation Activities

The project continues to monitor technical assistance, training, client sales and investments achieved to date in the Client Impact and Results Information System (CIRIS). CIRIS reports can also be downloaded at the project's Intranet site: www.fintrac.com/ethiopia. The PMP is updated on a quarterly basis using data from CIRIS and other M&E reports coming in from the field, interviews with clients etc.

3.3 Section 3: Marketing and Investment Activities

Clients are provided with market information, trade mission support, and assistance in preparing business plans and loan applications with the three private banks participating in the USAID Development Credit Authority (DCA) loan guarantee program in Ethiopia.

Market Information

The four main counterpart associations for each targeted sector: The Ethiopian Horticulture Producers and Exporters Association (EHPEA), Ethiopian Coffee Exporters Association (ECEA), Ethiopian Leather Industry Association (ELIA), and the Ethiopian Pulses, Oilseeds & Spices Processors Exporters Association (EPOSPEA) have been individually consulted regarding the quarterly market bulletins usefulness and their information needs. An agreement with EPOSPEA has been reached and daily prices are sent to the association via email.

Business Planning & Loan Applications

To date, the project has helped current and prospective clients develop a total of 54 business plans including feasibility studies for production and value-added processing activities. There have been 15 loan applications on behalf of clients so far, leading to \$2.2 million in loans to our clients having been granted.

Trade Missions and Special Events

In this quarter, the project co-financed the participation of the TAYTU consortium at a leather trade fair in New York in February and in Los Angeles in March, securing sample orders of \$25,000. ATEP was also involved in the selection and coordination of a Flower Exporters tour to Miami, which provided the opportunity to 3 Ethiopian representatives to meet with US importers and retailers.

Inward buyer missions included the Second Jimma Round Table Conference took place at the end of February, with the participation of 55 people representing researchers, producers, processors, local and international buyers and roasters (from the US, Canada and Europe).

3.4 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 vegetable and diversified floriculture exports, as well as local market supply of vegetable crops to fresh and processing buyers.

Clients

To date, 25 lead clients including producers, farmer groups, exporters, etc. and 417 beneficiary farmers (working directly with lead clients) are receiving ongoing technical assistance and training from the program's field technicians. Export crops include Bobby beans, snow peas, sugar snap peas, baby corn, chillies and courgettes, as well as smallholder flowers. New crops added to the program include raspberries and table grapes. Major crops produced for the domestic market include tomatoes, potatoes, onions, chillies and cabbage.

The project wrapped up its March activities hosting a vegetable production field day organized at lead client Teppo Farm. The field day introduced farmers to new technologies, and new high yield and disease resistant vegetable varieties, establishing linkage between growers and agricultural input suppliers and introducing Good Agricultural Practices (GAPs). Agriculture input suppliers including Netafim, General Chemicals, Hearts Ethiopia, Seminis, Hagbes, Ethio-Africa and Axum Greenline demonstrated their inputs and products. Over 150 farmers and members

of the government woreda participated and the event was covered by both TV and printed media.

Lead clients achieved an average increase of 91% in their sales (\$2,629,498) since the beginning of the project, total cumulative sales after baseline reached \$8,537,849. Clients and counterparts have invested a total of \$5,291,753 to date in infrastructure and equipment.

Technical Assistance

Trials and demonstration plots at 26 locations are under way. Seedlings were produced at Melkassa Research Center and the varieties are under observation for future registration. A field day will take place at the end of June 2008 showcasing these new hybrid varieties for farmers.

Seminis' regional agronomist visited the trial sites of Teppo Farm, Ethio-Flora, Luna Farm, Upper Awash Agro Enterprise and Robani Agricultural Enterprise to evaluate the hybrid tomato varieties under cultivation for the local market.

A new strategy in Tigray for smallholders is under development, several field visits have taken place and contact with the Tigray Bureau of Agriculture has been established.

The project has carried out 1,244 technical assistance visits to horticulture client farms to date, that have focused on land preparation, mulching, seedling production, drip irrigation, pest and disease control including IPM, use of hybrid seeds, and other agronomic areas for crops under production, as well as postharvest handling and analysis of production costs and margins. Technical assistance provided this quarter is supporting the current planting season.

Training

Field days continued for farmers with training in improved production, postharvest handling and GAP protocols. A total of 130 on-farm production training events covering horticulture crops have been carried out to date for 1,492 participants. Trainings this period included strawberry and grape production, as well as BRC, food safety and GLOBALGAP. Counterpart EHPEA received an Amharic version of the GLOBALGAP manual. The document was translated by QITC and financed by the project as an effort to push certification in Ethiopia and make the concepts accessible to all farm employees.

Lead clients Jordan Herbs and Ilan Tot received basic food safety and British Retail Consortium (BRC) certification training from ATEP's partner, QITC, in preparation for its scheduled audits in April. A total of 545 employees, middle and top management were trained in hygiene, Good Manufacturing Practices and other food safety protocols over 15 events.

A total of 1,058 farmers have also been trained in safe use of chemicals to date.

Marketing

A Floral Exporters Tour was funded by USAID East Africa and 3 Ethiopian representatives were selected with the help of ATEP: Seifu Bedada and Yidnekachew Ayele from EHPEA and Michael Asres from Jobera Flowers. The tour was a big success as it provided participants with the opportunity to meet some of the big US retailers such as Whole Foods, Costco and Trader Joes, as well as flower importers like Esprit Miami and Premier Floral Corp.

The Africa Juice investment project in the Awash Valley is in advanced stages of negotiation with the MOTI privatization office to take over Tibila State Farm, a 1,200 Ha estate that would see the development of 600 Ha of passion fruit and 600 Ha of other fruit trees. The project will

work with Africa Juice in organizing a network of smallholder outgrowers in the surrounding area to supply passion fruit to the processing plant. A stakeholder meeting has been organized for mid-April.

3.5 Section 5: Coffee Program

Coffee activities this quarter focused on ensuring correct processing techniques following the end of the annual harvest.

The project organized and held the ninth Coffee Industry Forum, as we continued to get stakeholder buy-in to agreeing future strategy. This focused on promoting the concept of Q-graded coffee in Ethiopia and assisting the start of Q coffee trade.

The Second Jimma Round Table Conference took place at the end of February, with the participation of 55 people representing researchers, producers, processors, local and international buyers and roasters from the US, Canada and Europe. Topics discussed centered on market requirements for specialty coffee and field visits created the opportunity to develop new market linkages. Coffee cupping was performed at the Jimma Research Laboratory, with encouraging results from our lead client Teppi Coffee Farmers Union, who are now taking full advantage of the Mini-Cupping Laboratory co-financed by USAID-AATEP. Some clients also participated in the East Africa Fine Coffee Association Conference (EAFCA) in Kampala, Uganda. Ethiopian coffee samples received some of the top grades in the cupping competition, with our lead client Amaro Gayo as one of the highest rated. Total number of participants exceeded 400.

Clients

The project works with 26 lead coffee partners (as well as 6 non-lead clients), comprised mostly of millers/exporters, and 17,987 beneficiary farmers.

The project has also leveraged \$857,626 of new client and counterpart investments in the coffee industry, consisting of mills, processing equipment, drying tables, etc.

Total client cumulative sales reached \$34,572,459, representing an increase of \$16,962,230 (172%) after baseline (\$8,554,818).

Technical Assistance and Training

To date, the project has trained 15,349 farmers over 154 events in the coffee sector. The majority of technical assistance for coffee farmers is provided through group trainings at cooperative farms and coffee mills. To date, a total of 343 technical assistance visits were made to lead client farms.

Training emphasis was on pruning, stumping, sucker growth thinning, as well as postharvest management, wet and sun dried processing, bagging and moisture control.

A survey on the Millennium training conducted in July-August 2007 shows a significant improvement in the overall quality of cherries delivered at 6 coffee mills. Following the Millennium Campaign, processors of washed (parchment) coffee in Sidamo and Yirgacheffe found that of beans graded at the CLU (about 900 MTs in 2006 and 2007), the percentage qualifying for Grade I increased from 1 percent in 2006, to 12 percent in 2007, while the volumes receiving Grade II designation increased from 14 percent to 61 percent. Consequently, the volumes at lower Grades III-V fell from 80 percent to 23 percent, signifying an overall quality

increase. A related survey of five processors of higher-valued sun-dried coffee found even higher increases following the Millennium Campaign. The percentage of coffee qualifying as Grade I increased from 6 percent in 2006, to 49 percent in 2007. These quality improvements are indicative of the net impact of the campaign, the result being higher prices, increased export values, and a higher international profile for Ethiopian coffee.

Since the campaign last summer, the Rural Development Office has prepared a training manual in the local language using ATEP materials, and trained 344,392 coffee farmers, collectors, suppliers, school teachers and students. Local farmers constructed drying tables with materials such as poles and chicken wire using ATEP designs and costings. In addition, 149 Quality Controlling Task Force Committees (farmers, administrators, DAs and agricultural experts) have been established in 412 kebeles of Ilubabor Zone. With the objective of controlling illegal coffee transportation, 15 check points and 73 coffee market spots are now established.

Cupping Activities

The second group of Q graders was trained at the Addis Ababa Coffee Liquoring Unit (CLU), the participants represented government employees from Addis Ababa and Dire Dawa CLU, Oromia and SNNPR Agricultural Bureaus and private coffee exporters. Thirteen candidates graduated with certificates, and Ethiopia is now the African coffee producer country with the highest number of certified Q-graders, with 25 cuppers total. The training was carried out with Fintrac consortium partners Boot Coffee Consulting and the Coffee Quality Institute (CQI) in partnership with the CLU and the Ethiopian Coffee Exporters Association (ECEA).

Certification

Rainforest Alliance certification of coffee farms continues, with over 10,394 hectares certified to date. In total there are 15,600 Ha certified, of which 5,206 Ha. are organically certified by BCS. RFA has also audited 2,762 Ha. that are on the certification path.

3.6 Section 6. Hides, Skins & Leather Program

Clients in the HSL sector include all members of the value chain: farmers, abattoirs, tanners, traders and finished product manufacturers. The project continues its field-based training of rural livestock technicians in order to improve the quality of skins supplied to the industry, adding value to farmer sales in the process. The project is also working with abattoirs, tanners and traders in improving the quality and sales of HSL products on an industry level.

Clients

As of the end of this quarter, 50 lead clients/partners had received technical assistance and training representing thousands of beneficiary farmers. Collectively, donor partners and private sector clients have made investments totaling \$881,269 in the sector, including new and upgraded production and processing facilities.

Technical Assistance and Training

The project's training of Woreda-level technicians in ectoparasite control and improved skinning/flaying techniques is enabling rural producers improve the quality of their hides and skins, leading to reduced product rejection rates at tanneries and increased volumes sold. To date, the project has held 27 trainings for 524 technicians in the area of ectoparasite control, and 40 trainings for 746 slaughterhouse staff, and 646 collectors and traders in skinning/flaying and post-slaughter care. From the Lalogera project, the third round of ectoparasite control

started slow, but by the end of March the Community Health Workers had treated over 38,000 sheep and goats in the 4 woredas, proving that the ETB 0.40/sheep price did not stop the local farmers from treating their animals.

Supply Chain

Among the 30 hides and skins collection centers raised in Addis Ababa, 29 have become fully operational. USAID / ATEP and ELIA notice boards were affixed to them to increase awareness among the collectors. The activities of the centers have been slow throughout the month due to the fasting season, which will end at Ethiopian Easter at the end of April.

A needs assessment was conducted in Tigray Region for raw hides and skins collection centers in conjunction with the Relief Society of Tigray (REST). A total of 25 potential raw stock collection centers were identified in 9 towns of the region, including Adigrat, Mekele, Axum and Adwa. This initiative is part of ATEP's contribution to improve the quality and quantity of raw hides and skins reaching the tanning industry, which is still not operating at full capacity.

Upgrading the hides and skins capacity of Legedadi Abattoir was completed and is expected to improve the slaughter capacity from 14 to 30 heads per day and reduce damage from flay cuts and axe holes. So far, the abattoir has been providing slaughtering services to more than 120 butchers in Legedadi, Oromia region, and in the city of Addis Ababa. Similar upgrading activities are underway to improve Sululta Rural Abattoir.

A survey to determine the percentage of ectoparasite-caused defects at tannery level is underway and results will be available on the next quarter.

Export Market Development

In February and March, the project promoted the TAYTU "Made in Ethiopia" brand of leather apparel and accessories at two fashion exhibitions at New York and Los Angeles, USA. Sample orders worth \$25,000 were obtained.

The project participated in the All African Leather Fair (AALF) 2008 in January. In addition to demonstrating project activities, we sponsored four regions to showcase their HSL potential and improvements achieved to date by working with USAID-ATEP. Our stand was visited by the Prime Minister, senior ministers and US Embassy officials. Nearly 174 international and local companies participated in the trade fair. The stands were visited by 525 international and 2,400 domestic buyers. Of the 25 tanners that exhibited their products, 21 secured new orders.

USAID-ATEP continued supporting the incorporation of Pittards Global Sourcing, which obtained its legal entity as a joint venture between Pittards and Ethiopian Tannery. The local partner will produce nearly 2,000 leather jackets with an export value of \$150,000 for Pittards Global, and have annual production capacity of 40,000 jackets, 40,000 leather goods, and 100,000 gloves.

3.7 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 and increase farm sales and employment.

Clients

The project is working with 24 lead clients engaged in oilseeds production, processing and

marketing, including four large Farm Cooperative Unions (FCUs); a commercial farmers association; three investors; five smallholder farmers; and six exporters. These groups represent over 50,446 beneficiary client producers.

Lead client Zi Andeta planted 12.6 Ha. of Awash 1 including 5 Ha. for seed, as part of the seed multiplication initiative with the Melkassa Research Center.

Technical Assistance and Training

Technical assistance was given to potential client Oral Agro Industry, which owns a farm of about 1,080 hectares in Mizan Teferi, SNNPR. Currently, the farm is growing sesame seed on a trial basis with plans to export. In addition, we have continued technical assistance to Agro Prom International, which produces safflower for the European market. The company has forwarded its business plan and comments were given for technology fund assistance.

To facilitate USAID-ATEP's activities and further our assistance to sesame growers in Tigray, meetings were held with the Tigray Agricultural Marketing Promotion Agency (TAMPA) and Setit Humera Farmers Cooperative Union. An agreement was made to organize "training of trainers" for all stakeholders in Mekele and Humera. We also continued training 45 extension agents and agricultural experts in Kafta Humera, Welkayit-Tsedgede and Tahitay Adiabo woredas. The training is focused on Good Agricultural Practices (GAPs), pest and disease management, and quality control. The trainers are expected to train nearly 2,250 farmers in turn.

To date 25 field-based trainings carried out for 1,300 beneficiary farmers in the areas of production, Integrated Pest Management (IPM), weed control, proper use of pesticides, quality standards and marketing of sesame in the Humera and Metema areas in northwest Ethiopia.

USAID-ATEP prepared a bulletin for the control of webworm, the major sesame pest. The bulletin will be distributed for training purposes after being translated to Amharic and Tigreña as a complement to the assistance the project has been providing in collaboration with the Woreda Agriculture and Rural Development Office.

Initial reports of the Harerge business development initiative for farmer groups in 3 Woredas (Meta, Kersa, Gorogutu) have shown a total of 26 lead farmers trained with 606 households benefiting. These results will be used to determine strategies to address constraints.

Processing

Thanks to their new sesame cleaning machinery, Warka Trading is obtaining a premium of \$100 per exported ton. The company, which has an estimated exportable 12,000 MT will generate an additional \$1,200,000 in sales.

Total investments for the sector reached \$1,403,986, mainly on infrastructure and equipment.

Warehouse Receipts

Technical support from our Warehouse Receipts Specialist to ECX includes the development of training materials on receiving and grading procedures for four types of commodities, 11 classes, 25 grades, inventory management, computerized receipts systems as well as training for membership to sales force team and trading/intermediary members of ECX, with all materials translated to Amharic. The training materials include the collaboration of the USDA Grain Inspection and Packers Stockyards Administration (GIPSA).

She is also involved in personnel selection and training at EGTE warehouses on receiving procedures of the commodities to 42 new staff members. Discussions were held with insurance companies on policies and premiums for grain insurance.

3.8 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 by using a cluster approach to increase Ethiopia's agribusiness competitiveness:

- The 9th Coffee Stakeholders Forum took place in February as well as the 5th HSL Cluster Working Group meeting.
- The Gondar Sesame Forum will be created during April using the Millennium Sesame Training as a platform for industry collaboration. Plans to develop similar forums in other regions are underway.
- We have been requested by the Amhara Investment Promotion Agency to assist with developing their investment policy and processes to better promote Amhara among potential investors. This program will start at the end of April.

3.9 Section 9: Other Cross Cutting Activities

Cross-cutting activities include Technology and Partners Fund awards, gender mainstreaming, environmental activities, and HIV/Malaria.

Organizational capacity development

Twenty six lead farmers went through the entire Haricot beans business planning benefiting 606 households. The results of the initiative will provide important feedback into the project's smallholder schemes to come.

Technology and Partners Funds

The project continues to identify and fund activities that support project objectives through the Technology and Partners Funds grant awards. To date, the project has budgeted a combined \$965,142 in these cost-sharing grants, leveraging partner commitments (including commercial loans obtained) of \$3,794,821, or \$3.93 for each dollar invested.

In terms of actual expenditures to date, the project has expended \$794,087 in partner and technology funds, leveraging client investments of \$1,668,658 (which represents \$2.1 for each USAID dollar invested).

Table 1: Technology Fund Awards through March 31, 2008

Award	Budgeted	Expended	Balance
01 Ectoparasite control materials and training	\$67,057.85	\$66,417.27	\$640.58
02 Coffee eco-pulping equipment	\$12,500.00	\$12,500.00	\$0.00
03 Cupping equipment for five regional coffee labs	\$21,230.00	\$21,219.36	\$10.64
04 Planting material for mangetout, sugar snap and chilli export trials	\$6,384.00	\$6,384.00	\$0.00
05 Modern drip irrigation systems installation and training	\$108,580.00	\$107,611.52	\$968.48
06 Improved coffee sun-drying beds	\$13,846.00	\$8,177.37	\$5,668.63
07 Planting material for fine bean and peas export trials	\$10,700.00	\$7,864.09	\$2,835.91
08 Modern drip irrigation pumping equipment	\$3,290.00	\$3,290.00	\$0.00

Table 1: Technology Fund Awards through March 31, 2008

Award	Budgeted	Expended	Balance
09 Eco-friendly coffee sun-drying beds	\$6,255.17	\$6,144.14	\$111.03
10 Materials for construction of crocodile ponds	\$18,264.37	\$18,039.69	\$224.68
11 Organic certification for coffee cooperatives	\$10,696.11	\$10,696.11	\$0.00
12 Upgrading hides and skins capacity of Legedadi Abattoir	\$14,857.15	\$10,869.99	\$3,987.16
13 Hides and skins collection and storage centers for Wondi Skins	\$17,143.00	\$8,500.21	\$8,642.79
14 Training for sesame producers in Amhara and Tigray	\$8,040.00	\$7,075.39	\$964.61
15 Planting materials for summer flower export trials	\$5,100.00	\$5,079.08	\$20.92
16 Modern irrigation systems for summer flower export trials	\$11,920.00	\$11,920.00	\$0.00
17 Coffee eco-pulping equipment for Limu Kossa	\$13,000.00	\$13,000.00	\$0.00
18 Oilseeds processing with Prosper International	\$50,000.00	\$50,000.00	\$0.00
19 Haricot seed propagation with Melkassa Research Station	\$15,414.58	\$14,047.92	\$1,366.66
20 Sun-drying Coffee Beds	\$13,379.69	\$13,363.16	\$16.53
21 Upgrading Hides and Skins Suluta Abattoirs	\$16,125.00	\$8,061.43	\$8,063.57
22 Strawberry IPM for Ilan Tot	\$14,688.00	\$14,688.00	\$0.00
23 RA Certification for Moredocafe	\$5,392.44	\$0.00	\$5,392.44
24 Humera Sesame Training	\$15,117.00	\$1,915.10	\$13,201.90
25 Alpine Flower Production with Marginpar	\$16,182.00	\$16,182.00	\$0.00
26 Organic Certification for Bio Ecoland Trading and Its Beneficiary Farmers	\$7,200.00	\$7,178.00	\$22.00
27 Organic Certification for IPS Plc and Its Beneficiary Coffee Farmers	\$3,700.00	\$0.00	\$3,700.00
28 Irrigation system for Vegetable Export R&D Unit at Tabor Herbs	\$36,568.00	\$36,568.00	\$0.00
Total	\$542,630.36	\$486,791.83	\$55,838.53

Table 2: Partner Fund Awards through March 31, 2008

Award	Budgeted	Expended	Balance
01 Inward and outward trade missions	\$58,950.00	\$31,964.36	\$26,985.64
(a) Coffee: Roundtable 2006	\$8,500.00	\$9,523.26	
(b) Horticulture: Buyer mission expenses	\$130.00	\$1,281.13	
(c) All: CCA meetings and presentation	\$3,360.00		
(d) HSL: Pan African Leather Industry Tradefair	\$25,000.00	\$4,830.96	
(e) Coffee: Roundtable 2007-08	\$9,000.00	\$0.00	
(f) All: TBD	\$12,960.00	\$0.00	
02 HSL collection centers with ELIA	\$38,220.00	\$37,722.87	\$497.13
03 HSL radio campaign for proper harvesting and handling	\$8,691.00	\$8,634.73	\$56.27
04 CQI Coffee Corps activities	\$62,812.00	\$61,173.61	\$1,638.39
05 Q-Grading program with CQI/ECEA	\$82,000.00	\$37,271.13	\$44,728.87
06 EAFCA trade show expenses	\$13,162.00	\$11,886.16	\$1,275.84
07 Hortiflora trade show expenditures	\$45,000.00	\$42,987.27	\$2,012.73
08 Coffee sector trade missions with ECEA	\$45,282.00	\$39,398.86	\$5,883.14
09 Capacity building for TAYTU	\$40,644.00	\$20,362.09	\$20,281.91

Table 2: Partner Fund Awards through March 31, 2008

Award	Budgeted	Expended	Balance
10 Coffee training in 81 woredas	\$23,952.85	\$15,688.74	\$8,264.11
11 Amhara Millennium Sesame Quality Training	\$3,798.42	\$0.00	\$3,798.42
Total	\$422,512.27	\$307,089.82	\$115,422.45

HIV/Malaria

Pathfinder started providing HIV awareness trainings at the ATEP's target coffee areas, with a total of 4 events for 287 participants (164 males, 123 females). These activities will continue throughout 2008.

3.10 Section 10: Global Results Targets

National export sales for the four targeted agricultural sectors since the start of our program showed an overall increase in value of \$603,794,282 using 2005 figures as baseline.

Client and counterpart investments to date have reached \$8,615,184. These have consisted of on-farm investments in infrastructure and technologies (drip irrigation systems, planting materials, packhouses, tractors, IPM materials, etc.) as well as improvements and upgrades to processing facilities such as abattoirs, oilseed plants, coffee mills, etc.

4.0 Planned Activities for Next Reporting Period

Horticulture

- Continue export programs with UK and Dutch produce companies for European import season commencing January 2008.
- Continue other vegetable export trials with lead clients;
- Develop eastern corridor and Rift valley initiative with smallholders for Djibouti as well as local markets with CFC, IDE, and the Harerge smallholders with HFC.
- Follow up with processing companies, including tomato and juice processing companies and evaluation of smallholder contracting programs with these groups.
- Scale up and contract international consultants on fruit development work on fruit crops including strawberries, table grapes and passionfruit.
- Focus on establishing and obtaining results from export vegetable variety trials to enable us to recommend the right varieties to our clients.

Coffee

- Carrying out further training on cupping and export quality certification for Q grader and "Star Cuppers" and regional cupping lab staff;
- Continue training lead clients on improved harvest and postharvest techniques and help with processing and marketing, especially for the specialty market.
- Completion of coffee harvest and auction/sales for previous 2006-07 season;
- Work with lead client millers on improved processing practices, especially on sun drying and eco friendly processing in the washing stations.
- Plan next coffee campaign following success of MCTC through our Coffee Forum.
- Planning for the second coffee roundtable conference to be held in Jimma in February, as well as prepare samples for the Electronic auction to be held in May.

HSL

- Continue with training program for veterinarians (ekek control) and skinner/flayers

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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									
5.12 Coffee Program-Specific Impact Targets																																						
5.12.1	Total value of overall coffee exports increases																											209,000,000	value of increase in annual coffee exports	Trade and industry statistics	\$251,661,268	(\$42,661,268)				X		Export data taken from MOTI. Cumulative increase in sales (Jan 06 to March 08) over 2005 baseline figure.
5.12.2	Total value of specialty coffee exports increases																											57,000,000	value of increase in specialty coffee exports	Trade and industry statistics	\$103,339,705	(\$46,339,705)				X		Specialty coffee export cumulative increase over July 05- June 06 taken as base line data
5.12.3	New Client investment in new processing and cupping technology																											1,600,000	value of client and counterpart investments	CIRIS	\$857,626	\$742,374				X		Confirmed investment
5.12.4	Average yield and/or sales increases by program-supported farmers																											Y1: 10%	average yield increase for assisted farmers	CIRIS	154%				X		Increase in sales by \$16,962,230 for 28 program-supported farmers, from baseline of \$8,554,818 to \$34,572,459	
																											Y2: 20%											
																												Y3: 25%										
6 Hides, Skins & Leather Program																																						
6.1	Initial selection of Lead Partners (producers, abattoirs, traders, tanners, manufacturers) & development of partner-specific activity workplans		15	15	5																							45	lead partners identified and partner-specific activity workplans developed	CIRIS (lead partner data & workplans)	50	(5)			X		50 partners in the HSL industry, including ELIA	
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			
6.3	Training of trainers for existing ectoparasite programs; direct training where gaps exist	1	3	3	1																							11	Training Programs	CIRIS (lead partner data & workplans)	27	(16)	X					
		30	90	90	60																							450	Technicians trained		524	(74)	X					
6.4	Training activities in quality improvement in flaying and curing to abattoirs (training of trainers)	3	3	1																								8	Training Programs	CIRIS (lead partner data & workplans)	40	(32)	X					
		150	150	50																								400	Technicians trained	CIRIS (lead partner data & workplans)	1,392	(992)	X					Total number of trainees on quality improvement, including technicians, abattoir employees, collectors and traders
6.5	Training activities in standardization, coding, QC, to collectors and traders	1	3	1																								13	Training Programs	CIRIS (lead partner data & workplans)	39	(26)	X					Collectors and traders are trained together with technicians and abattoir employees
		15	45	15																								195	Technicians trained	CIRIS (lead partner data & workplans)	646	(451)	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)	3	-				X		Lalogera ectoparasite control campaign on its 3rd round. Support systems for farmers and traders in SNNPR and Oromia regions. Fund being leveraged for the support.
6.7	Explore enhancing recovery of raw stock through improved marketing																											1	Collection Center System developed	CIRIS (lead partner data & workplans)	1	-				X		29 out of 30 collection centres in Addis are operational. Hides & skins collection center at Bensa completed and made operational!
6.8	Assist manufacturers in business and investment planning																											4	Manufacturers assisted	CIRIS	3	1				X		Jonzo Leather, Atlas PLC and Cro Leather business plans supported
6.9	Supporting inward missions					1																						5	Inward missions supported through cost share.		7	(2)				X		Includes outward missions. Lyon, Moscow, Brazilian and Hungarian missions, The Train Fashion Show (New York), Paris Sur Monde, NewYork & Loss Angeles Trade Fair.
6.10	Partner agreement with U of Northampton and LLPTI to improve lab, train technicians and standards training																											1	Needs Assessment and Financing strategies developed		8	(7)				X		Needs Assessment report completed. Sponsors' Forum will take place in August 08. One Msc. in Advanced Leather Technology to be financed by a UK Rotary Club
6.11	Develop HSL competitiveness cluster		1																									1	Competitiveness cluster developed	CIRIS, industry sources	1	-	X					
6.12 HSL Program-Specific Impact Targets																																						
6.12.1	Reduction in number of skins affected by ectoparasites																											15%	reduction in skins affected	Industry surveys	0%	15%					X	Three random sample tests with average 588 skins per sample show decrease in damage from 75% to 40%. Country-wide survey started and to be completed in May 2008

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		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		
6.12.2	Client and counterpart investments																					5,000,000	Value of new client and counterpart investments	CIRIS	\$861,269	\$4,118,731			X		Confirmed investments	
6.12.3	Increased value of hide, skin and leather exports from Ethiopia																					48,000,000	value of increased exports	Trade and Industry Statistics	\$52,129,646	(\$4,129,646)			X		Export data taken from MOTI. Cumulative increase in sales (Jan 06 to March 08) over 2005 baseline figure.	
7 Oilseeds and Pulses Program																																
7.1	Initial selection of Lead Partners (processors, exporters, cooperatives, other farmer groups) & development of partner-specific activity workplans			3				2	2	2												19	lead partners identified and partner-specific activity workplans developed	CIRIS (lead partner data & workplans)	24	(5)		X				
7.2	Beneficiaries of lead partners identified and representative M&E data collected			300				200	200	200												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	9	2		X			Sesame seed bug, Sesame production, Warehouse receipts, Bruchid control. Grade/standard manuals for maize, wheat, haricot beans, sesame & Sesame Webworm control bulletin	
7.4	On-Farm Extension Program (improved production practices)							10	10	10	40	40	40									270	On-farm extension visits made by program agronomist	CIRIS extension logs	81	189			X			
7.5	On-Farm Group Training Events (improved production practices)							10	10	10	10	10	10									90	training events	CIRIS training logs	25	65			X			
								250	250	250	250	250	250									750	participants at training events	CIRIS training logs	1,300	950			X			
7.6	Support Organic Certification of Farms through Partnership Alliances			1	1			2														10	Farmer groups certified		1	9			X		Bio Ecoland organic certified of sesam farm through tech fund assistance	
7.7	Introduction of new processing technologies -- design, business plans, financing, etc.			3	2			2														21	projects supported	CIRIS; other project reporting	10	11			X			
7.8	Inbound investment missions supported			1				1														3	mission supported	project reporting	2	1			X			
7.9	International market linkages developed			1	1			1														10	deals made for international sales	CIRIS	1	9				X		
7.10 Warehouse Receipts																																
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					X		coordination meetings held	
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	4	3			X		Four 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	
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		Office established at ECEX training provided to new ECEX staff. ECEX officially launched	
7.11 Oilseed Program-Specific Impact Targets																																
7.11.1	Increased value of oilseed exports																						71,000,000	value of increased exports	Trade statistics	\$192,250,391	(\$121,250,391)			X		Export data taken from MOTI. Cumulative increase in sales (Jan 06 to March 08) over 2005 baseline sales.
7.11.2	Client and counterpart investments in new value-added processing																						1,000,000	value of new investment	CIRIS	\$1,403,986	(\$403,986)			X		Investment in cleaning and hulling machines, training
8 Policy Intervention Activities (Cross Cutting)																																
8.1	Identification of policy constraints through investment and competitiveness activities			2	2			2															12	Issues identified and prioritized	regular project reporting	9	3			X		
8.2	AGOA and other trade protocol training conducted	1	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	3	24				X	
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	3	3			X		
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	17	(11)		X			

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		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			
9	Other Cross Cutting Activities: Organizational Development, Partners/Alliances/BDS, Gender Mainstreaming, Environmental Management, HIV/Malaria																															
9.1	Organizational Capacity Development																															
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	39	211					X	7 O/P cooperatives in Hararghe region received training, 68 people. 6 Cooperatives in HSL, 46 people. 26 farmer groups having 606 households trained in E/Hararghe
9.1.2	Group leaders receive specialist management training																					250	group leaders receive specialist management training	CIRIS and other project reporting	26	224					X	26 contact farmers trained in Eastern Hararge
9.2	Partners Fund, Alliances, and BDS																															
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	38	(18)		X				10 PF awards; 28 TF awards
9.2.3	National Smallholder Technology Fund designed and implemented for small-scale/lost 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	\$1,668,658	(\$718,658)				X		Clients' and partners' total confirmed investment in Technology and Partner Fund Awards
9.3	Gender Mainstreaming																															
9.3.1	Support Women's Entrepreneurial Institute																					1	Partner agreement signed with WEI	agreement	0	1				X		
9.3.2	Project staff training in Gender Mainstreaming & Implementation Approach																					All	Project staff trained	internal project reporting						X		
9.4	Environmental Management																															
9.4.1	Initial Project EEI/PERSUAP prepared and submitted to USAID for approval		1																			1	initial EEI/PERSUAP completed & submitted to USAID	copy of EEI/PERSUAP	1	-	X					Determination by USAID required on status of existing mission EEI and PERSUAPS
9.4.2	Mitigation measures identified in Project EEI/PERSUAP implemented																						mitigation measures implemented in all program activities	CIRIS TA & training reports; other reporting						X		
9.4.3	Follow-up environmental assessments completed as required																						follow-up assessments	copy of reports						X		
9.4.4	Training programs on environmental management systems and good agricultural practices incorporated into all production activities																					10,000	participants in project training events	CIRIS training logs	2,093	7,907				X		Trainees are trained in IPM related topics such as chemical safety, EUREPGAP and production systems.
9.5	HIV/AIDS and Malaria																															
9.5.1	HIV/AIDS and Malaria prevention and treatment programs incorporated to maximum extent possible in training activities through support from local NGOs																					5,000	participants in program sponsored training events that include HIV/AIDS and Malaria prevention and treatment training	CIRIS reports; subgrants with and reporting from local NGOs	287	4,713					X	Will work with other donor programs and NGO health specialists
10	IR and other Global Results Targets (all targets by Mar 2008)																															
10.1	Increased value of exports of target sectors																					457,170,000	value of increased annual exports (over year ending 3/31/08 over CY2005 baseline)	Official trade statistics	\$603,794,282	(\$146,624,282)				X		Export data taken from MOTI. Cumulative increase in sales for four sectors (Jan 06 to March 08) over 2005 baseline figure.
10.2	Client and counterpart investments																					22,600,000	value of client and counterpart investments	CIRIS + validation; field surveys	\$8,615,134	\$13,984,866				X		Confirmed investments in CIRIS



SUCCESS STORY

Ethiopians learning to fight ectoparasites

Millions of Ethiopians earn a living by raising livestock. The country boasts the largest herd population in Africa, with approximately 86 million cattle, sheep and goats raised by rural farmers and herdsman. The country's long-standing livestock tradition has yielded a vibrant leather industry, with hides and skins from the countryside manufactured into semi-processed and finished leather and leather goods sold all over the world. Ethiopia exported 17 million tons of leather and leather products worth \$81 million in 2006, and in the first half of 2007, export value increased 17 percent from the first half of 2006. Next to coffee, the livestock industry is the largest export sector for Ethiopia and is critical to rural farmers.

The industry and the farmers supporting it, however, are under the constant threat of ectoparasites. Known locally as "ekek," ectoparasites ravage up to 90 percent of rural herds in Amhara, which is one of the worst-hit regions.

Other regions suffer infestation rates as high as 70 percent. Infested animals have symptoms including decreased weight and lesions and blemishes. This hurts the value of the animal, directly hitting the farmer's pocketbook, as well as the competitiveness of the country's leather industry.

In 2006, the USAID Agribusiness and Trade Expansion Program (USAID-ATEP) started helping Amhara's regional government with its ectoparasite treatment campaigns, which focus on four woredas (departments): Gera Medir, Kaya Gebrel, Muzlalo, and Muzmama. The treatment campaigns are a massive effort to reduce infestation by spraying animals and providing medicine baths to control ectoparasites. In the first two campaigns, each lasting three months, infestation rates of a surveyed group plummeted from 90 percent to less than 5 percent. A major factor in this dramatic decline was the decision to increase the number of annual treatments from two to four.

In late 2006, the third campaign added a



Photos by Fintrac Inc.

An Ethiopian farmer and a community animal health worker (CAHW) prepare sheep for ectoparasite treatments.



CAHWs wear protective gear when administering treatments.

component to train private farmers to act as community animal health workers (CAHW) in their kebeles (districts). These workers provide ekek treatment for ETB 0.40 per animal. USAID-ATEP provided training and oversight to 87 MoARD veterinarians and animal technicians in the targeted woredas who, in turn, trained private farmers as CAHWs and supervised the treatments. In addition to USAID-ATEP's technical support and provision of training costs and improved chemical safety gear including overalls, masks, gloves, and sprayers, the Food and Agriculture Organization (FAO) of the United Nations provided \$64,000 to train CAHWs and the Ethiopian Leather Industries Association (ELIA) invested \$42,000 in medicine, equipment and other training expenses.

Animals receiving ectoparasite treatments see improved health and weight increases averaging around 7 kilograms. Because of improved returns at the market from healthier, heavier animals, farmers are willing to pay for the treatment, especially considering that if a farmer has 15 animals and treats them four times a year, the cost is only ETB 24.00 (\$2.65). The return for a farmer far outweighs this cost. Amhara market prices for sheep in poor health range from ETB 130 to 150, while treated animals fetch prices as high as ETB 250. With the increased value, a farmer with 15 animals can earn an extra ETB 100 per animal, or ETB 1,500 (\$165.00). Additional gains come from higher animal birth rates, further driving the demand for CAHW services.

To date, 177 farmers have been trained and equipped as CAHWs, collectively reaching thousands of farmers in the targeted woredas.

“The intervention of the regional government, USAID-ATEP and other stakeholders has reduced the ectoparasite infestation rate,” said Mekonen Zemene, an animal health worker in Menz Mama Midir Woreda. “Changes have been observed on the health status and weight of sheep and goats in our woreda, but there remains a lot to be done.”

Additional campaigns are currently planned for Tigray, Afar, Oromia, and SNNP regions. In addition to farmer incomes, additional benefits to the leather industry include improved hides and skins quality, which will lead to increased export volumes and dollar values for internationally-trade leather goods from Ethiopia.

USAID-ATEP is an aggressive, market-led effort designed to energize Ethiopia's agriculture industry. The project is dramatically improving competitiveness and productivity for thousands of farmers, processors and traders resulting in increased exports, investment, employment, and incomes.

“The intervention of the regional government, USAID-ATEP and other stakeholders has reduced the ectoparasite infestation rate.”

— Mekonen Zemene, animal health worker



CAHWs attend a training session in Amhara.



A CAHW keeps track of the treatments and sale transactions.

SUCCESS STORY:

Thousands benefit from coffee training



Photos by Fintrac Inc.

Farmers attend a coffee training in Tembaro. More than 14,000 smallholders were trained to improve coffee quality.

Ethiopia is the birthplace of coffee and the source of some of the finest coffees in the world. Its importance to the country's economy is paramount. Coffee export values were the highest ever during the 2006/2007 production season, reaching 180,000 MTs valued at \$424 million. An estimated 85 percent of Ethiopia's coffee is produced by thousands of smallholder producers in Oromia and SNNP. Collectors, or "subsabies," buy coffee from the farmers who in turn sell to regional coffee mills, or "akrabies," for initial processing. Most of Ethiopia's coffee is sold by the akrabies to exporters in Addis Ababa, where coffee undergoes final processing and is graded at the Central Liquoring Unit (CLU), and sold via the national auction.

Despite Ethiopia's substantial export volumes, impediments limit growth and income. Some international roasters note inconsistent quality in Ethiopia's coffees and report that quality and consistency improvements will generate higher prices. To achieve consistent taste and quality, the USAID Agribusiness and Trade Expansion Program (USAID-ATEP) is helping producers, traders, and exporters through improved harvesting, handling and processing. Training farmers in good agricultural practices (GAPs) and training traders and processors are the major focus of USAID-ATEP's coffee program.

In June 2007, the Coffee Forum, established with assistance from USAID-ATEP, launched the Millennium Campaign to train farmers in harvesting and postharvest practices to improve quality ahead of the September harvest season.

The massive training effort reached 14,454 producers, collectors, processors, exporters and MoARD development

"The Millennium Quality Coffee Training was significant for our coffee farmers. They have managed to produce quality coffee, and are earning better prices in return."

— Ato Solomon Tessema Yimam, manager of the coffee farmers' union at Bench-Maji



The deep red color of these coffee cherries shows improved selection and quality.



Samples tested at the Coffee Liquoring Unit.

Impact of the Millennium Campaign

A USAID-ATEP survey of six coffee processors of washed (parchment) coffee in Sidamo and Yirgacheffe following the Millennium Campaign found that of the coffee beans graded at the CLU, about 900 MTs in 2006 and 2007, the percentage qualifying for Grade I increased from 1 percent in 2006, to 12 percent in 2007, while the volumes receiving Grade II designation increased from 14 percent to 61 percent. Consequently, the volumes at lower Grades III-V fell from 80 percent to 23 percent, signifying an overall quality increase.

A related survey of five processors of higher-valued sun-dried coffee found even higher increases following the Millennium Campaign. The percentage of coffee qualifying as Grade I increased from 6 percent in 2006, to 49 percent in 2007.

These quality improvements are indicative of the net impact of the campaign, the result being higher prices, increased export values, and a strong international profile for Ethiopian coffee.

agents from the 82 targeted woredas from July 21 to Aug. 13, 2007.

Training topics included:

- Selection and Harvesting – instruction for producers in berry selection (ripe red vs. unripened green cherries) and techniques for minimizing damage during picking.
- Price Differentiation – instruction for collectors in sorting of product into different grades to segment their market and receive premium prices for berries.
- Drying and Storage – instruction for processors in proper drying and storage techniques that reduce contamination and minimize spoilage.

USAID-ATEP clients are reporting significant improvements in coffee received and graded at their facilities, with significant volumes receiving higher grades this year.

Other factors contributing to improved quality include processors' investments in sun-drying tables and other infrastructure, favorable weather conditions, and other technical assistance and quality-related training from USAID-ATEP, woreda-level MoARD development agents, and regional marketing staff.

"The Millennium Quality Coffee Training was significant for our coffee farmers. They have managed to produce quality coffee, and are earning better prices in return," said Ato Solomon Tessema Yimam, manager of the coffee farmers' union at Bench-Maji.

Coffee farmers are informed via radio programs on current prices received at the national auction and are therefore armed with the information to negotiate prices with local collectors.

Following the success of the Millennium Campaign, the Coffee Forum is planning another for mid-2008 on basic production including stumping of old trees and pruning to increase yields, transplanting of seedlings and other best practices.

A training participant speaks his mind during a session focused on production challenges.



SUCCESS STORY

Good agricultural practices boost sesame yields in Humera

Many oilseed farmers in Ethiopia are unfamiliar with Good Agricultural Practices such as proper land preparation, crop rotation and Integrated Pest Management (IPM). With USAID's Agribusiness and Trade Expansion Program (ATEP), however, that is rapidly changing. Located in the equatorial belt, Ethiopia has an ideal climate for the production of oilseeds and pulses, and is a major producer in East Africa of highly valued white sesame, especially in the northern region of Humera. Although sesame is one of Ethiopia's main exports, volumes do not meet demand because of production shortfalls.

Like many other sesame farmers in Humera, Gebre Yohannes Asgedom relied on traditional growing methods resulting in low yields and high production costs. In late 2007, the sesame crop in Humera was affected by flooding and widespread pest problems. Many sesame producers were forced to replace crops with sorghum. Those who continued with sesame production had poor yields averaging only 250 kg per hectare.

In response to this and other challenges in Humera, USAID-ATEP is showing farmers like Yohannes how to apply GAPs. USAID-ATEP Agronomist Yitbarek Liben provided technical assistance at Yohannes' 12-hectare farm, which serves as a demonstration site for project trainings. Yohannes was shown how to prepare land to improve soil composition, and introduced to high quality seeds, proper planting and spacing techniques, weeding and IPM. He also received a sesame production manual in the Tigrina language for use as a reference during production. The result was a substantial increase in yields: Yohannes harvested 5,000 kilograms (420 kg per hectare) on his 12 hectares of land, 170 kg per hectare higher than average sesame yields in Humera. Moreover, GAPs such as proper land preparation, use of quality seeds and timely weeding reduced his production costs from \$548 per hectare (\$6,576 total) to \$361 per hectare (\$4,332 total), a drop of 34 percent. Following the harvest, Yohannes decided to store his product until the market offered more competitive prices. Because sesame has more than doubled in price since November 2007, Yohannes is in an even better position to increase his net income.

"My business has now been profitable with the assistance of USAID. Encouraged by this I am planning to expand my farm," Yohannes said.



Photos by Fintrac Inc.

Gebre Yohannes Asgedom improved his yields and lowered production costs by using Good Agricultural Practices.



To date, 150 people have attended USAID-ATEP training days and workshops on sesame production in Humera. This includes 60 MoARD development agents and sesame experts as well as 45 farmer clients. In addition, 76 farmers like Gebre Yohannes participated in an on-farm field day addressing problems in sesame production. Following their participation, the newly-trained development agents have in turn trained 377 farmers in Humera, with a further 1,000 planned, creating more opportunities for farmers to increase sales and boost Ethiopia's sesame exports.