



SNAPSHOT

Training Helps Agribusiness Expand

Thanks to key strategies learned at a USAID-CIAFS training, one small business owner increased his sales by 40 percent.



Photo by Fintrac Inc.

Representatives from agribusinesses discussed market trends and shared tips for business planning at an entrepreneurship training.

“The new business has started to pay dividends and the best is yet to come.”

- Mohammed Edris,
Owner, Fasil Oil Company

By improving the entrepreneurial and basic business skills of the private sector, USAID’s Capacity to Improve Agriculture and Food Security (CIAFS) project enables Ethiopian agribusinesses to increase their competitiveness and expand their operations. In May 2012, USAID-CIAFS delivered its second entrepreneurship training targeting private-sector representatives. A total of 81 business managers participated, including Mohammed Edris, owner of Fasil Cooking Oil Company, an oil processing facility with seven full-time employees in Amhara.

Fasil Oil Company processes niger seeds, sunflower seeds, and groundnuts into cooking oil for sale in the local market. During the five-day training, Edris learned how to analyze market trends and apply that information to his business decisions. He and the other participants also learned the basics of business plan development, product pricing, advertising, funding, sales forecasting, and financial analysis.

The training provided a forum for Edris to evaluate the operations and performance of his company in the context of fellow agribusiness owners; learn about effective business practices; and prepare to expand into new operations.

After the training, Edris put his new skills and knowledge to use, revising his inventory management according to market trends, which helped save money on storage and ensured he had enough seed in stock to meet peak demand. The basic accounting and recordkeeping skills he learned helped him manage his cash flow.

Thanks to these improved business practices, Edris’ sales have increased by 40 percent. The new funds and market knowledge have allowed him to diversify his business to produce animal feed with an oil byproduct that would otherwise have been wasted. The new product has resulted in more than \$400 of net income after just six months of production.

Edris expects his new animal feed business to grow quickly. “The new business has started to pay dividends and the best is yet to come,” he said.

To date, USAID-CIAFS has trained 151 private-sector managers on competitiveness, leadership, and entrepreneurship, empowering them with the skills and knowledge they need to effectively address constraints and improve growth across the agricultural sector.