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

QUARTERLY REPORT
OCTOBER-DECEMBER 2012



AGRICULTURAL GROWTH PROGRAM- AGRIBUSINESS AND MARKET
DEVELOPMENT (AGP-AMDE) PROJECT
USAID/ETHIOPIA
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List of Acronyms

ACDI/VOCA	Agricultural Cooperatives Development International/Volunteer Oversees Cooperatives Association
AGP	Agricultural Growth Program
AGP-AMDe	Agricultural Growth Program-Agribusiness and Market Development
APS	Annual Program Statement
ATA	Agricultural Transformation Agency
B2B	Business to Business
BCC	Behavior Change and Communication
BDS	Business Development Services
BoA	Bureau of Agriculture
BP	Business Plan
CA	Cooperative Agency
CAADP	Comprehensive African Agricultural Development Program
CBE	Commercial Bank of Ethiopia
CIG	Common Interest Groups
CQI	Coffee Quality Institute
CSA	Central Statistics Authority
DAs	Development Agents
DCA	Development Credit Authority
DRRW	Durable Rust Resistance in Wheat
EAB	Ethiopian Apiculture Board
EBA	Ethiopian Beekeepers Association
ECX	Ethiopian Commodity Exchange
ECEA	Ethiopia Coffee Export Association
EHBPEA	Ethiopian Honey and Beeswax Producers and Exporters Association
EIAR	Ethiopian Institute of Agricultural Research
EPOSPEA	Ethiopian Pulses, Oil Seeds and Spices Processors and Exporters Association
EU	European Union
FCA	Federal Cooperative Agency
FCUs	Farmer Cooperative Unions
FOB	Free on Board
FtF	Feed the Future

GAP	Good Agriculture Practices
GoE	Government of Ethiopia
GTP	Growth Transformation Plan
HIV/AIDS	Human Immune Deficiency Virus/Acquired Immune Deficiency Syndrome
HQ	Head Quarter
IEE	Initial Environmental Examination
JARC	Jimma Agricultural Research Center
JRIS	Joint Review and Implementation Support
LC	Letter of Credit
M&E	Monitoring and Evaluation
MFI	Micro Finance Institutions
MOFED	Ministry of Finance and Economic Development
MOT	Ministry of Trade
MOU	Memorandum of Understanding
MSP	Multi-Stakeholders Platform
MTs	Metric Tons
NBE	National Bank of Ethiopia
NGOs	Non-Governmental Organizations
P4P	Purchase for Progress
PCs	Primary Cooperatives
PEPFAR	President's Emergency Plan for AIDS Relief
PERSUAP	Pesticide Evaluation Report and Safer Use Action Plan
PHH	Post Harvest Handling
PLC	Private Limited Company
PLWHA	People Living With HIV/AIDS
PMP	Performance Monitoring Plan
SACCO	Saving and Credit Cooperative
SHF	Smallholder Farmer
SMFM	Sell More for More
SNNPR	Southern Nation Nationality and Peoples Region
SSRWE	Sustainable Support for Rural Women Entrepreneurs
TMF	Tigray Marketing Federation
USA	United States of America

USAID	United States Agency for International Development
USD	United States Dollar
USG	United States Government
WFP	World Food Programme

Table of Contents

Executive Summary	1
Results Performance Tracking	5
Success Stories	11
Key Events Undertaken October – December 2012	15
Upcoming Key Events for January – March 2013	18
Component 1 – Improving Value Chain Competitiveness	21
Marketing	21
Sesame Value Chain	22
Chickpea Value Chain	28
Coffee Value Chain	32
Honey Value Chain	38
Maize Value Chain	44
Wheat Value Chain	49
Promotion of Input Supply	54
Post-Harvest Handling	61
Business Development Services (BDS)	62
Component 2 - Improving Access to Agricultural Finance and Investment	63
Component 3 - Improving the Enabling Environment	69
Component 4 - Stimulating Increased Innovation and Investment	75
Cross-Cutting Issues	78
Quarterly Budget	88

Executive Summary

Agricultural Growth Program – Agribusiness and Market Development (AGP-AMDe) is the flagship project under USAID’s Feed the Future (FTF) Strategy for Ethiopia and is USAID’s largest contribution to the government of Ethiopia’s (GoE) Agricultural Growth Program (AGP). AGP supports the Comprehensive African Agricultural Development Program (CAADP) framework by strengthening agricultural productivity and markets in the high rainfall regions of Amhara; Oromia; Southern Nations, Nationalities, and People's Region (SNNPR); and Tigray.

In line with the overall objectives of AGP, AGP-AMDe works to sustainably reduce poverty and hunger by improving the productivity and competitiveness of value chains that offer jobs and income opportunities for rural households. Target value chains are maize, wheat, sesame, coffee, honey and chickpeas. Highlights of activities and results achieved during the reporting quarter for the target value chains include the following:

Component 1: Improving Value Chain Competitiveness

Marketing—Initiatives on domestic and international marketing provided promising leads and developments during this reporting period resulting in \$1,682,625 in exports, and \$3,687,009 in incremental sales at farm gate. Initiatives focused on restructuring marketing systems, raising awareness and creating new opportunities. In support of improved performance of primary markets, dialogue with Oromia, Amhara and SNNPR Regional Marketing Agencies were established. As a result of this dialogue, Oromia regional office submitted a concept note through Annual Program Statement (APS) process, while SNNPR and Amhara offices are expected to do so shortly. Simultaneously, the project has been working closely with Ethiopian Commodity Exchange (ECX) on developing a memorandum of understanding (MOU) that will lead to collaborative work on introducing traceability systems for coffee, and depending on performance of the system, sesame. Additionally, industry alliances for sesame and chickpea as well as coffee held successful international annual conferences with project support and contributions.

Sesame— Four warehouses of 5,000MT capacity are under construction for the following farmer cooperative unions (FCUs), Humera, Dansha, Metema and Abrehajira at a cost of \$2,118,409.41 under a cost share grant, with AGP-AMDe providing 70% (\$1,482,886) and 30% by FCUs (\$635,523). Simultaneously, a business plan was developed and submitted through project facilitation to Commercial Bank of Ethiopia (CBE) for the 30% cost share loan of the FCUs, which was approved. The first advance payment of \$722,978 was transferred to the respective FCUs and has been dispersed to the construction contractors and the construction has commenced. Furthermore, during this reporting quarter, AGP-AMDe facilitated 2,381.8 MT of sesame was purchased from primary cooperatives (PCs) by various FCUs and the Tigray Marketing Federation (TMF).

Chickpea—AGP-AMDe conducted field assessments of three FCUs to monitor the status of the various stages of chickpea production. Based on the assessments, training on field quality management has been delivered to 88 trainees of the three FCUs and Development Agents (DAs) in Amhara and Oromia which assisted to avoid chickpea production damage due to pests. Training in post-harvest handling was conducted with 65 FCU and PC members and DAs from the woreda Bureau of Agriculture (BoA) of Becho Wolliso and Lume Adama. Market linkages were strengthened through the signing of a MoU between Becho Wolliso FCU and processor Guts Agro Industry for approximately 6510 quintals this coming quarter.

Coffee—During this reporting period, 18,000 kg of natural sundried coffee was sold as a result of the

training held in Jimma and Choche on harvesting, drying by HiU Coffee with high premium. Additionally, a total of 1,772,982kg of red cherry coffee valued at 13,216,489 Birr was purchased by FCUs from PCs.

Honey—AGP-AMDe facilitated the signing of a MoU between three leading Ethiopian national honey associations; Ethiopian Beekeepers Association (EBA), Ethiopian Honey and Beeswax Producers and Exporters Association (EHBPEA) and Ethiopian Apiculture Board (EAB) to harmonize mandates and promote seamless cooperation. A three-day training of trainers was delivered to 42 trainees on honey processing, marketing and the roles of women in the honey value chain in Bonga-SNNPR. The training is projected to cascade the knowledge acquired to at least 1,260 smallholder honey producers next quarter.

Wheat— AGP-AMDe facilitated a written contractual agreement between Ambo Multipurpose Union and seven farmer cooperative unions (FCUs) in Oromia region for the sale of 1800 MT of wheat. In addition, AGP-AMDe assisted business-to-business meetings between Lemlem and Romant processors and three FCUs in Amhara (Gozamin, Damot and Ghion FCUs) and two FCUs (Hashange and Ofla) in Tigray regions. As a result, MoUs have been signed between the parties for the sustainable sales of increased volumes of wheat.

Maize—During the quarter, AGP-AMDe made progress in its partnership with the World Food Program (WFP) under the Purchase for Progress (P4P) program to facilitate the contractual delivery of at least 16,000 MT of maize from FCUs to P4P by June 2013. The project provided technical assistance to seven maize FCUs in developing and submitting their supply plans to meet WFP sales requirements. Seven FCUs have agreed to deliver 16,000 MT of quality maize over a span of eight successive weeks starting in March 2013, of which approximately 2,272MT has been purchased by WFP thus far. WFP also made the commitment to transport the maize from the FCUs and member PCs to their warehouses. Additionally, the project team facilitated loans from CBE for these sales.

Input Supply — A total of 90 field demonstrations (wheat 51, maize 31, sesame 16 and chickpea 8) were organized and conducted in all four AGP-AMDe regions during this quarter. Farmers and government partners participated in field demonstrations, data collection, harvesting crops from demonstrations, training in business management and product knowledge for agro-dealers. Nearly 1,100 farmers (493 women and 607 men) attended showcasing of best practices for wheat, maize and sesame cultivation.

Post-Harvest Handling —A total of 294 trainees (52 females), including cooperative managers, board members, grain purchasers and store keepers from 26 FCUs and their affiliated primary cooperatives including zonal cooperative marketing experts and woreda DAs, received intensive post-harvest handling training on 5 value chains. The maize value chain covered 55.5% of participant training in order to support and strengthen selected FCUs linked for the market to WFP P4P maize purchase program in order to fulfill their contractual agreement and meet the quality specifications requested. The second largest number of training participants in this quarter, 34%, attended wheat value chain trainings.

Business Development Services (BDS)—In the last quarter, Sell More For More (SMFM) training was delivered to 612 participants (152 female). The training helped cooperatives improve their capacity to establish and fulfill buyer contracts through an increase in quality and quantity of products. This result is particularly witnessed in the maize value chain whereby seven client FCUs are on track to supply 16,000 MT maize to World Food Program as per their contract agreement. SMFM has significantly improved cooperatives ability to develop business plans and secure loans from banks. Moreover, SMFM helped cooperatives enhance their leadership capability and financial management by promoting active participation of members.

Component 2: Improving Access to Finance— AGP-AMDe assisted 12 FCUs in their submission of loan applications for working capital financing from the Commercial Bank of Ethiopia (CBE) and Cooperative Bank of Oromia (CBO). This included 7 FCUs within the maize value chain (VC) for \$5.7million, 2 FCUs in Chickpea VC for \$1.7million, 2 FCUs in Coffee VC for \$2.2million, and 1 FCU in the Sesame VC for \$25million. In addition to the above, loan applications were submitted for warehouse construction for four FCUs for \$1.1million. A total of \$13.5 million in loans were requested and approved, of which \$5.5million has been disbursed this quarter.

Component 3: Improving the Enabling Environment of Selected Value Chains— During the quarter, AGP-AMDe authored a paper titled “Agricultural Finance Principles –Research Based International Experiences.” The paper’s focus is to make a case that in order for the Ethiopian Growth and Transformation Plan (GTP) targets for agriculture to be achieved, a national agricultural finance system that reaches the bulk of small commercial farmers is needed. The report will be presented in the Forum on Agricultural Ethiopia Finance Enabling Environment Issues in Ethiopia during the next quarter. Additionally, a Warehouse Assessment and GIS mapping exercise was completed this quarter resulting in recommendations and warehouse mapping.

Component 4: Stimulating Increased Innovation and Investment— AGP-AMDe has issued 7 grants to date, with a total investment commitment of \$1.8 million and cost share approximately valued at \$1.2 million in addition to the above mentioned investments targeting increased access to working capital financing. With current pipelines projections of quality unsolicited proposals, which are estimated at an approximate value of \$5 million, and submitted APS concept note responses, the project is working with a healthy and innovative portfolio of potential projects to roll out throughout the next two quarters.

Cross Cutting Issues

Gender—Among the total of 158 jobs attributed during the quarter, 74 were for women of whom 66 were in the sesame VC and 8 from the wheat VC. AGP-AMDe facilitated 8 women from common interest groups (CIGs) engaged in wheat aggregation in Tigray, receiving a \$1,769 loan from Embeba Haye RUSACCO and linked to Bokra Cooperative Union who purchased the wheat. A women-only field day was organized for 62 female farmers in order to increase women’s access to improved agricultural technologies. A total of 725 female farmers (20% of total) received improved seeds of chickpea for seed production and results are expected in the coming quarters.

Nutrition and HIV/AIDS —AGP-AMDe was one of the partners who assisted in the Agriculture to Nutrition pathway that was developed by all USAID implementing partners describing how agriculture impacted positively to the nutritional status of a population especially children and women. This pathway has been adapted to align with the principles of FtF and it was presented at the Nutrition- Global Learning and Evidence (N-GLEE) conference in Kampala that was hosted by USAID’s SPRING project carried out from 10 – 12 December, 2012. AGP-AMDe has used the pathway to measure the project’s progress in addressing nutrition. During the three day conference, more than 100 participants from the Agriculture and Nutrition sectors attended the meeting.

Environment—The AGP-AMDe completed and submitted the Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) report as an amendment to the previously submitted Initial Environmental Examination (IEE). Additionally, Representatives from AGP-AMDe participated in a training sponsored by USAID’s Environmental Compliance team to discuss the various threats affecting our environment.

Communications, Knowledge Management and Behavior Change Communication (BCC)—AGP-AMDe’s communication, knowledge management and behavior change communication strategy is designed to ensure maximum coordination with all partners implementing the different components of AGP and other USAID-funded projects, as well as to develop strategic designs for project communications to donors, stakeholders and beneficiaries. During this quarter, AGP-AMDe released a call for proposals to identify a marketing and communications firm to assist in increasing program visibility; launched a web-based monitoring and evaluation system called Ki-projects; and conducted a barrier analysis that determine two key behaviors to be addressed in the upcoming year to produce results: women actively participate in cooperatives as full members and farmers save using financial institutions

Monitoring and Evaluation (M&E) — During this reporting period, the PMP targets were preliminarily approved by USAID. The M&E team carried out training on management of the Ki-project (M&E management information system) to five M&E staff. Two M&E staff attended M&E training in Istanbul, Turkey from October 22-26, 2012 which concentrated on building capacity in designing and implementing M&E systems focused on accountability and learning. Additionally, the AGP-AMDe baseline was presented and approved by USAID.

Budgetary Spending

During this quarter, the following expenditures occurred detailed by component and value chain.

Per Component	
Component 1	61%
Component 2	1%
Component 3	7%
Component 4	31%

Per Value Chain	
Sesame	32%
Honey	19%
Chickpea	15%
Coffee	14%
Maize	11%
Wheat	9%

Results Performance Tracking

AGP-AMDe made progress in achieving intended results during this quarter, some of which are considered priority indicators. Farm gate sales reached a value of 846,953 USD during Q1, and the total value of exported coffee and honey reached 1,682,625 USD. AGP-AMDe leveraged investments through warehouse construction grants to FCUs valued at 632,659 USD, 30% of which is comprised of cost share. As a result, the program achieved 100% of annual targets for sesame storage capacity improvements. During this quarter, 6 public-private partnerships were formed, meeting 24% of the annual target. Additionally, AGP-AMDe exceeded annual targets for policy by addressing 7 policy issues at the analysis stage. AGP-AMDe will continue to vigorously pursue program targets using sustainable development methods such as the Innovation Fund grant mechanism and training of trainer strategies like Sell More For More for long-term impact.

The detailed results of the project are presented in the indicator based performance tracking table below.

AGP-AMDe Indicator Performance Tracking Table (October 2012 - December 2012)

AGP AMDe INDICATOR PERFORMANCE TRACKING TABLE (APRIL 2011 - DECEMBER 2012)												
No.	Performance Indicators	Unit of Measure/ Frequency	Baseline	Target April 2011- Sept 2012	Results April 2011- Sep 2012	Target Oct 2012-Sep 2013	Results Oct 2012- Dec 2012	% results of Oct-Dec 2012	Results to date: April 2011- Dec 2012	LOP target	% of LOP target achieved	
Goal: Poverty and Hunger Reduced												
Impact Indicators - Program Objective Level												
1	Number of hectares under improved technologies or management practices as a result of USG assistance	Hectare	Wheat	0		2,010	1.50	0.07462687	1.50	12,000	0.01	
			Maize	2,027		1,600	0.65	0.040625	0.65	15,670	0.00	
			Coffee	0		300	0	0	0.00	0.00	3,200	0.00
			Sesame	0		500	0.25	0.05	0.25	0.25	3,788	0.01
			Chickpea	1,022	4,424	4,600	1,085.13	23.5896739	5,509.13	21,000	26.23	
		# of producers/ hives	Honey									
		Total	3,048	4,424	9,010	1,087.53	12.07	5,511.53	55,658.00	9.90		
2	Number of jobs attributed to FTF implementation	#	Wheat	0	4	532	55	10.34	59	2,268	2.60	
			Maize	0	3	414	0	0.00	3	2,060	0.15	
			Coffee		0	300	0	0.00	0	1,500	0.00	
			Sesame		21	324	212	65.43	233	1,556	14.97	
			Chickpea	150	0	272	0	0.00	0	1,538	0.00	
			Honey		2	200		0.00	2	1,100	0.18	
			Total	150	30	2,042	267	13.08	297	10,022	2.96	
IR 1: Improved Competitiveness of selected VCs.												
3	Number of beneficiaries supported by AGP-AMDe assisted value chains	#	Wheat	38,997	1,724	64,976	5,061	7.79	6,785	286,951	2.36	
			Maize	39,997	274	66,976	835	1.25	1,109	295,440	0.38	
			Coffee	17,049	2,377	24,992	327	1.31	2,704	110,517	2.45	
			Sesame	14,996	1,304	22,993	1,220	5.31	2,524	74,980	3.37	
			Chickpea		3,784	20,249	2,267	11.20	6,051	143,974	4.20	
			Honey	2,799	1,914	14,497	171	1.18	2,115	88,282	2.40	
	Total	113,839	11,377	214,683	9,881	4.60	21,258	1,000,144	2.13			
4	Average yield per hectare/hive	Quintal/ha Measured at mid term and final eval	Wheat	1403		1754	0	0.00	0	2969	0.00	
			Maize	2500		2700	0	0.00	0	3703	0.00	
			Coffee	500		625	0	0.00	0	976	0.00	
			Sesame	699		734	0	0.00	0	800	0.00	
			Chickpea	1102		1653	0	0.00	0	3305	0.00	
		KG/hive	Honey	5		8	0	0.00	0	15	0.00	
	Total						0.00	9019	0.00			

5	Gross margin per unit of land, hive of selected crops	% Measured at mid term & endline evaluation	Wheat	420		615	0	0.00	0	822	0.00
			Maize	362		420	0	0.00	0	648	0.00
			Coffee	868		1931	0	0.00	0	2453	0.00
			Sesame	516		550	0	0.00	0	581	0.00
			Chickpea	594		708	0	0.00	0	750	0.00
			Honey	5			0		0		
			Total						0		182.45
6	Value of incremental sales (collected at farm-level) attributed to FtF implementation	USD	Wheat	412,401	361,607	15,087,294	0	0.00	361,607	39,002,765	0.93
			Maize	1,529,527		4,391,669	53,333	1.21	53,333	12,449,951	0.43
			Coffee	19,677	4,474,800	2,400,000	734,249	30.59	5,209,049	12,019,677	43.34
			Sesame	9,251		13,751,000	2,786,723	20.27	2,786,723	37,544,955	7.42
			Chickpea	61,733		436,500	0	0.00	0	8,403,233	0.00
			Honey	-	36,660	54,817	112,704	205.60	149,364	313,539	47.64
			Total	2,032,588	4,873,067	36,121,280	3,687,009	10.21	8,560,076	109,734,120	7.80
7	Number of food security private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance	#	Wheat	10	11		39		50		
			Maize	7	7		9		16		
			Coffee	9	12		2		14		
			Sesame	10	19		9		28		
			Chickpea	3	3		5		8		
			Honey	4	4		15		19		
			Total	43	56	118	79	66.95	135	160	84.38
8	Number of private enterprises, producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations that applied new technologies or management practices as a result of USG assistance	#	Wheat	7	11	13	6	46.15	17	19	89.47
			Maize		7	16	2	12.50	9	20	45.00
			Coffee		4	10	0	0.00	4	13	30.77
			Sesame	15	5	13	11	84.62	16	17	94.12
			Chickpea	3	8	7	2	28.57	10	12	83.33
			Honey	8	7	11	16	145.45	23	14	164.29
			Total	33	42	70	37.00	52.86	79	95	83.16
9	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training and other capacity building.	#	Wheat	183	140	6,200	595	9.60	735	27,783	2.65
			Maize	183	212	4,960	838	16.90	1,050	22,263	4.72
			Coffee	45	156	3,720	419	11.26	575	16,605	3.46
			Sesame	450	223	4,960	162	3.27	385	22,530	1.71
			Chickpea	500	472	2,480	135	5.44	607	11,540	5.26
			Honey	540	338	2,480	717	28.91	1,055	11,580	9.11
			Total	1,901	1,541	24,800	2,866	11.56	4,407	112,301	3.92

10	Value of exports of targeted agricultural commodities as a result of USG assistance	USD	Wheat	0							
			Maize	0							
			Coffee	0	4,474,800	8,010,000	0	0.00	4,474,800	63,998,000	6.99
			Sesame			11,528,000	1,672,225	14.51	1,672,225	74,644,250	2.24
			Chickpea	7,324,219		1,030,141	0	0.00	0	6,073,807	0.00
			Honey	0		400,000	10,400	2.60	10,400	3,520,000	0.30
			Total	7,324,219	4,474,800	20,968,141	1,682,625	8.02	6,157,425	148,236,057	4.15
11	Total increase in installed storage capacity	Cubic meter	Wheat			10,368	0	0.00	0	20,736	0.00
			Maize			41,472	0	0.00	0	72,576	0.00
			Coffee				0				
			Sesame			20,736	20,736	100.00	20,736	41,472	50.00
			Chickpea			10,368	0	0.00	0	20,736	0.00
			Honey								
			Total	0	0	82,944	20,736	25.00	20,736	155,520	13.33
12	Volume of processed products	MT	Wheat		900	26,660	0	0.00	900	132,582	0.68
			Maize			3,265	0	0.00	0	19,265	0.00
			Coffee	200	621.5	2,670	280	10.49	901.5	29,627	3.04
			Sesame			32,165	4,718	14.67	4,718	171,927	2.74
			Chickpea			8,297	0	0.00	0	36,019	0.00
			Honey		12	148	21	14.19	33	1,916	1.72
			Total	200	1,534	73,205	5,019	6.86	6,552.50	391,336	1.67
13	Percentage decrease of post harvest losses as a result of AMDe intervention	%	Wheat	0%		4	0	0.00	0	9	0.00
			Maize	0%		2	0	0.00	0	7	0.00
			Coffee	0%		3	0	0.00	0	10	0.00
			Sesame	0%		2	0	0.00	0	5	0.00
			Chickpea	0%		5	0	0.00	0	17	0.00
			Honey	0%		12	0	0.00	0	50	0.00
			Total	0							
IR 2: Improved Access to Finance											
14	Value of Agricultural and Rural Loans	USD	0	1,500,000		12,004,638	5,544,548	46.19	5,544,548.00	39,134,157	14.17
15	Number of MSMEs receiving USG assistance to access bank loans	#	Wheat	13	11		1		12		
			Maize	10	7		0		7		
			Coffee	5	4		0		4		
			Sesame	5	5		4		9		
			Chickpea	3	3		0		3		
			Honey	5	7		0		7		
			Total	41	37		44	7	15.91	44.00	254

16	Number of MSMEs receiving business development services from USG assisted sources	#	0	37	42	60	25	41.67	67	249	26.91
17	Number of firms (excluding farms) or Civil Society Organizations (CSOs) engaged in agricultural and food security-related manufacturing and services now operating more profitably (at or above cost) because of USG assistance	# Measured at mid term & endline evaluation	0	3		42	0	0.00	0	56	0.00
18	Total number of clients (households and/or microenterprises) benefitting from financial services provided through USG assisted financial intermediaries, including non-financial institutions or actors	#	0	1500	1480	13,800	0	0.00	1,480	46,800	3.16
19	Number of new financial products and services developed and introduced as a result of AGP/AMDe intervention	#	0	2	3	2	0	0.00	3	7	42.86
IR 3: Improved the Enabling Environment of selected Value Chains											
20	Average percent change in score on key areas of organization capacity among USAID direct and indirect local implementing partners	% Measured at mid term & endline evaluation	64		64	70	0	0.00	64	93	68.82
21	Numbers of Policies/Regulations/Administrative Procedures in each of the following stages of development as a result of USG assistance in each case: Stage 1: Analyzed Stage 2: Drafted and presented for public/stakeholder consultation Stage 3: Presented for legislation/decreed Stage 4: Passed/approved Stage 5: Passed for which implementation has begun	#	Total	1	3	2	7	350.00	10	7	142.86

IR 4: Stimulate Increased Innovation and Investment											
22	Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation	USD	Total	-		8,250,000	632,658	7.67	632,658	60,350,000	1.05
23	Number of public-private partnerships formed as a result of USG assistance	#		10	18	25	6	24.00	24	90	26.67
24	Number of firms receiving USG assistance to invest in improved technologies	#	Wheat			12	0	0.00	0	34	0.00
			Maize			12	0	0.00	0	30	0.00
			Coffee			8	0	0.00	0	53	0.00
			Sesame		5	8	4	50.00	9	24	37.50
			Chickpea	3	3	4	3	75.00	6	15	40.00
			Honey	8		20	0	0.00	0	152	0.00
			Total	11	8	64	7	10.94	15	308	4.87
25	Number of farmers and other who have applied new technologies or management practices as a result of USG assistance	#	Wheat		0	4020	0	0.00	0	24,000	0.00
			Maize		0	1,900	0	0.00	0	31,000	0.00
			Coffee		0	699	0	0.00	0	5,600	0.00
			Sesame		0	507	0	0.00	0	13,000	0.00
			Chickpea	3697		4600	2,170	47.17	5,867	21,000	27.94
			Honey	0		7497	0	0.00	0	42,800	0.00
			Total	3,697	0	19,223	2,170	11.29	5,867	137,400	4.27
26	Number of technologies or management practices in one of the following phases of development: in Phase I: under research as a result of USG assistance in Phase II: under field testing as a result of USG assistance in Phase III: made available for transfer as a result of USG assistance	#	0	6		18	16	88.89	16	49	32.65
27	Number of new private parties offering services (tillage, spraying, weeding)	#	Wheat		0	3	0	0.00	0	8	0.00
			Maize		0	4	0	0.00	0	11	0.00
			Coffee		0	2	0	0.00	0	6	0.00
			Sesame		0	4	0	0.00	0	10	0.00
			Chickpea	3		3	0	0.00	3	7	42.86
			Honey	0		8	0	0.00	0	34	0.00
			Total	3	0	24	0	0.00	3	76	3.95

Remark: Exchange rate used is 18 birr for 1 USD.

Success Stories



USAID
FROM THE AMERICAN PEOPLE

SUCCESS STORY

From Local Sesame Seed Suppliers to Exporters

USAID AGP-AMDe assisted Tsehay, Selam and Metema FCU's by preparing them to export sesame this harvest year. All three cooperatives have always sold sesame seed to local markets and never ventured to the export market.



Sesame warehouse construction facilitated through grants to farmer cooperative unions.
Photo credit – ACDI/VOCA

The Agricultural Growth Program-Agribusiness and Market Development (AGP-AMDe) uses a facilitated value chain approach to increase the competitiveness of select Ethiopian agricultural products; enhance access to finance; and stimulate innovation and private investment.

This flagship program is part of the U.S. presidential Feed the Future initiative, which harmonizes hunger- and poverty-fighting efforts in countries with chronic food insecurity.

"We were very happy to be the first sesame exporters from Amhara region. This experience gave our Primary Cooperatives a great motivation to continue on the export path and strengthen our Union. The experience was not only the first for our FCU but was also profitable. This could not have been possible without the support and assistance of USAID AGP-AMDE project."

-Baye Getanehe, General Manager, Tsehay Multipurpose Farmers Cooperative Union

Sesame is a strategically important commodity to Ethiopia. Export of sesame brought in over 450 million USD in earnings by exporting 331,000 MT during 2011-2012 harvest year, and the number is expected to increase significantly in the coming years. Even though the production and export of sesame has been increasing dramatically over the past decade, Farmer Cooperative Unions' (FCU) share of direct export has never topped 3% of the overall export.

"As an international brokerage/indenting firm, we were delighted to work with Tsehay farmer cooperative union, it was especially rewarding for to us to have had the opportunity to provide the service that led to Ethiopian farmers linking directly to consumers".
- Mr. Tewodros Yilma, Managing Director, Alpha Trading Partners PLC

FCUs faced numerous challenges that kept them from entering the export market. Some of the challenges include lack of adequate working capital, linkage with international markets, assistance with export documentation and lack of international price information. Working with partners that include Agricultural Transformative Agency (ATA), Federal & Regional Cooperative Agency's, regional marketing bureaus and USAID, AGP-AMDe assisted Tsehay, Selam and Metema FCUs by preparing them for export sesame this harvest year. All three cooperatives have always sold sesame seed to local markets and never ventured to the export market. This changed on December 2012 when the classification of the three FCUs changed from local suppliers to exporters.

USAID AGP-AMDe helped FCUs transition by assisting them in obtaining export Competency Certificate from the Ministry of Agriculture and Rural Development, opening a Foreign Exchange Account with National Bank of Ethiopia where foreign exchange earnings would be deposited and facilitating a business transaction with a local indenting firm.

Taking advantage of the new opportunity, Tsehay FCU exported 228 MT of sesame to China for a profit of 233 USD per MT. Selam also signed a purchase contract to export 638 MT for an anticipated profit of 222 USD per MT, while Metema anticipated 173 USD per MT for the export of 400 MT. The entire transaction was over 2,000,000 USD. The sesame market was especially difficult this year with record prices both in the domestic and internal markets and the market volatility forced numerous private exporters into unwanted default. The strict technical support provided to the FCUs in the area of real time international market information and global price trends favored the three FCUs to enter the export market and register an impressive profit for their members.

Mr. Tewodros Yilma, Managing Director of Alpha Trading Partners PLC, linkage with international known sesame seed importers, providing full documentation support and brokering a deal to export to the international market. In addition, Mr. Tewodros extended the commitment of his firm to work closely with USAID AGP-AMDe and extend similar services to other FCUs.

January 2013



USAID
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SUCCESS STORY

\$5.5 Million Working Capital Loan Raised

AGP-AMDe organized an Agricultural Finance Workshop in which 52 representatives from Banks, FCUs and other stakeholders participated. The main focus of the workshop was to create a dialogue between the Banks and FCUs to exchange challenges in extending and accessing agricultural finance.



Photo credit — ACDIVOCA

The Agricultural Growth Program-Agribusiness and Market Development (AGP-AMDe) uses a facilitated value chain approach to increase the competitiveness of select Ethiopian agricultural products; enhance access to finance; and stimulate innovation and private investment.

This flagship program is part of the U.S. presidential Feed the Future initiative, which harmonizes hunger- and poverty-fighting efforts in countries with chronic food insecurity.

One of the key challenges of Agricultural Finance in Ethiopia has been the risk associated with the agricultural sector. This is true in the case of most cooperative unions who are required to receive a guarantee from their respective regional government to obtain output financing, or otherwise be excluded from the normal credit facility provided by private banks. In cases where loans are approved, cooperatives usually obtain only a portion of their request, diminishing their ability to expand trade, invest and serve their farmer members who usually face steep requirements in terms of collateral and are thoroughly scrutinized before loans are issued.

AGP-AMDe tackles this issue in three ways: from a policy perspective, by creating a more favorable business enabling environment and advocating for changes in coordination with ATA; by creating direct links between banks and important agriculture stakeholders to build trust, develop success stories and enhance confidence in the cooperative sector and by introducing new products that serve as alternative financing mechanism.

As the result of AGP-AMDe interventions that include the Agricultural Finance Workshop, a constant dialogue with Commercial Bank of Ethiopia and Cooperative Bank of Oromia, and targeted trainings and capacity building, 12 FCUs have received a total of \$5.5 mm working capital financing without the support or guarantee from regional governments. This is a significant achievement in improving Access to Agricultural Finance as the support from the regional government has been in decline in recent years and above all, a direct relationship has been reestablished between the FCUs and CBE that has been missing for many years.

The project facilitated the preparation and submission of 19 business plans for output financing, and investments in storage facilities, attempting to facilitate access to over \$35 mm. Five sesame cooperative unions (\$26mm), 7 maize unions under WFP P4P program(\$5.7mm), 2 chickpea unions (\$3.4mm) and 4 wheat unions (\$1.5mm) developed such business plans. Several unions hope to construct commercial storage space over the next year and increase tradable commodity that flows through its channels. New storage facilities will also be used as the most preferred collateral in future funding requests from the banks. AGP-AMDe will ensure that these relationships continue to grow through constant follow-up, capacity building and knowledge-sharing platforms, which will spur investment and create access to the most critical services for smallholder market linkage through their organizational channels.

January 2013



Honey Industry Unites Forces



Photo credit — ACDI/VOCA

The Agricultural Growth Program-Agribusiness and Market Development (AGP-AMDe) uses a facilitated value chain approach to increase the competitiveness of select Ethiopian agricultural products; enhance access to finance; and stimulate innovation and private investment.

This flagship program is part of the U.S. presidential Feed the Future initiative, which harmonizes hunger- and poverty-fighting efforts in countries with chronic food insecurity.

"The overall world honey supply was very tight in 2012 as it has been for the past several years. Global climate conditions have been extreme in some areas and have played a key role in affecting honey production and the floral sources for producing honey". GIA

Ethiopian Beekeepers Association (EBA), Ethiopian Honey and Beeswax Producers and Exporters Association (EHBPEA) and Ethiopian Apiculture Board (EAB) are the three Ethiopian national level associations working on improving the apiculture sector in the country. These three associations had their own mandates and responsibilities when they were established and there were no clearly defined areas of intervention for these industry level associations. For instance, AGP-AMDe received proposals from the two associations, which posed a challenge for AGP-AMDe to provide the requested financial and technical support. Cognizant of the abovementioned problem, AGP-AMDe took the initiative to bring the three associations together to sign an MOU among themselves and harmonize their mandates in a way that helps smallholder beekeepers remain competitive.

The objectives of the MOU are to:

- Create clear understanding on mandates of the three existing institutions in the honey sector
- Identify objectives shared among the institutions and find ways for cooperation in achieving the objectives for the improvement of the sector
- Strengthen collaboration among other major actors for the rapid realization of improvements in the sector
- Provide a clear message to the national and international, public and private development partners, regarding the understanding and spirit of the existing institutions, to enable them to build confidence in their actions.

Prior to the signing of the MoU, mandate and responsibility analysis was conducted which indicated that many of the areas selected for intervention were shared among all the three institutions and this showed that there were duplications of effort and areas for potential conflict. The new agreed matrix of mandates and responsibilities by the three associations allowed all the associations and their partners to work together.

These three associations represent 1.5 million smallholder beekeepers, which produce 53,600 metric tons of honey annually, along with processors, professionals and related institutions. EBA and EHBPEA have 300 and 20 members respectively, and EAB has the two associations as core members and another 56 individual associate members.

January 2013



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SUCCESS STORY

A Natural Coffee Success in Ethiopia



Photo credit — ACD/VOCA

The Agricultural Growth Program-Agribusiness and Market Development (AGP-AMDe) uses a facilitated value chain approach to increase the competitiveness of select Ethiopian agricultural products; enhance access to finance; and stimulate innovation and private investment.

This flagship program is part of the U.S. presidential Feed the Future initiative, which harmonizes hunger- and poverty-fighting efforts in countries with chronic food insecurity.

"We appreciate USAID AGP-AMDe's assistance in facilitating the first international conference on Ethiopian coffee. The conference brought international national coffee stakeholders and was deemed successful by all. Ethiopia Coffee Exporters Association was happy to collaborate with USAID AGP-AMDe and look forward to working more closely in the future."

-Hussein Agraw, President -Ethiopia Coffee Exporters Association

AGP-AMDe helped coordinate a groundbreaking event with the Ethiopian Coffee Exporters Association. The Conference was the first opportunity for the industry to discuss experiences and opportunities to collaborate. The opening session included Ethiopian Prime Minister HaileMariam Desalegne, the International Coffee Organization, the EU delegation Ambassador, and the USAID Mission Director, Mr. Dennis Weller. More than 200 attendees participated, representing stakeholders from Ethiopia (government, industry and NGOs), as well as 20 international buyers from around the world. Perhaps the most significant impact of the conference was to put the ECEA and the coffee sector "on the map." From this, new focus has been placed on enhancing the sector as a whole.

Following this event was the International Conference and Workshop on Naturals and Standards, which had over 130 participants. The conference combined presentations on grading standards with naturals cupping, reviewed international market trends and international and national regulatory frameworks to encourage quality and value addition. The conference also assessed if grading systems are keeping up with today's differentiated markets, exchange ideas about differentiated and certified coffees becoming mainstream market products and discussed regional flavor profiles as they relate the quality markets.

Nearly 130 people participated in the first half of the conference which was dedicated to standards. The highlights were international presenters and their shared experience of their country's coffee sectors. Of particular relevance were the presentations from Costa Rica and Guatemala, where programs have worked to significantly increase the percent of the FOB price returned to the farmers (85% and 81% respectively), as compared to 65% in Ethiopia.



January 2013

Key Events Undertaken October – December 2012

Date	Name of Event	Location	Sector	Organizing body	
				Responsible staff	Contact address
Oct 1-3, 2012	Sell More for More training	Gibe Dedessa FCU/	Maize VC	AGP-AMDe BDS Specialist	E-mail: mbessir@activocaeth.org , Tel: +251-911-634304
Oct 1-4, 2012	Sell More for More training		Multiple VCs	AGP-AMDe BDS Specialist	E-mail: mbessir@activocaeth.org , Tel: +251-911-634304
Oct 2-8, 2012	Post-Harvest Handling Training	Yirgachefe	Coffee VC	AGP-AMDe Regional PHH & WH Mangt. officer	E-mail: mayalew@activocaeth.org , Tel: +251-911-069474
Oct 4, 2012	National workshop on expansion of agricultural finance	Addis Ababa	Coffee VC	AGP-AMDe Rural finance training coordinator	E-mail: zteklu@activocaeth.org, Tel: +251-911-173411
Oct 5-7, 2012	Sell More for More training	Buno Bedele FCU/	Maize/Coffee VCs	AGP-AMDe BDS Specialist	E-mail: mbessir@activocaeth.org , Tel: +251-911-634304
Oct 6, 2012	Gender in cooperative working group	Addis Ababa	Gender	ATA	E-mail: yhailu@activocaeth.org
Oct 8-9, 2012	Post-Harvest Handling Training	Tigray/	Sesame VC	AGP-AMDe PHH specialist	E-mail: egeremew@activocaeth.org , Tel: +251-911-618211
Oct 12-15, 2012	Sell More for More training	South Omo Union/	Maize VC	AGP-AMDe BDS specialist	E-mail: mbessir@activocaeth.org , Tel: +251-911-634304
Oct 18-21, 2012	Sell More for More training	Galema FCU/	Wheat VC	AGP-AMDe BDS specialist	E-mail: mbessir@activocaeth.org , Tel: +251-911-634304
Oct 19-22, 2012	Sell More for More training	Gozamin FCU/	Wheat VC	AGP-AMDe BDS specialist	E-mail: mbessir@activocaeth.org , Tel: +251-911-634304
Oct 22-26, 2012	M&E training	Istanbul/Turkey	M&E	ACDI/VOCA HQ	Maria Bina Palmisano E-mail:MPalmisano@activocaeth.org
Oct 27-30, 2012	Sell More for More training	Setit Humera and Dansha FCU/	Sesame VC	AGP-AMDe BDS specialist	E-mail: mbessir@activocaeth.org , Tel: +251-911-634304
Oct 29-Nov 1, 2012	Post-Harvest Handling Training	Butajira	Maize VC	AGP-AMDe Regional PHH & WH Mangt. Officer	E-mail: mayalew@activocaeth.org , Tel: +251-911-069474

Date	Name of Event	Location	Sector	Organizing body	
				Responsible staff	Contact address
Oct 30, 2012	Multi-stakeholder Platform Meeting (MSP)	Adama	Wheat VC	AGP-AMDe Wheat VC specialist	E-mail: zyilma@acdivocaeth.org, Tel: +251-911-406476
Oct 30-Nov 2, 2012	Sell More for More training	Lume Adama/	Chickpea VC	AGP-AMDe BDS specialist	E-mail: mbessir@acdivocaeth.org , Tel: +251-911-634304
Nov 5-16, 2012	Ethiopia coffee standards and grading workshop	Addis Ababa	Coffee VC	AGP-AMDe Coffee VC specialist	E-mail: dnuri@acdivocaeth.org, Tel: +251-911-641461
Nov 6-9, 2012	Post-Harvest Handling Training	Nekemt	Maize VC	AGP-AMDe PHH specialist	E-mail: egeremew@acdivocaeth.org , Tel: +251-911-618211
Nov 8-9, 2012	Ethiopia Exporter Summit	Addis Ababa	Coffee VC	AGP-AMDe Coffee VC specialist	E-mail: dnuri@acdivocaeth.org, Tel: +251-911-641461
Nov 12, 2012	Multi-stakeholder Platform Meeting (MSP)	Adama and Humera	Wheat and Sesame VC	AGP-AMDe Wheat and sesame VC specialist	E-mail: zyilma@acdivocaeth.org, Tel: +251-911-406476 E-mail: treda@acdivocaeth.org, Tel: +251-912-037092
Nov 13-16, 2012	International Conference on Naturals and Grading Standards	Addis Ababa	Coffee VC	AGP-AMDe Coffee VC specialist	E-mail: dnuri@acdivocaeth.org, Tel: +251-911-641461
Nov 13-16, 2012	Sell More for More training	Admas Union/	Maize VC	AGP-AMDe BDS specialist	E-mail: mbessir@acdivocaeth.org , Tel: +251-911-634304
Nov 17, 2012	Chickpea quality management training	(N/Gondar) & D/Zeit	Chickpea VC	AGP-AMDe Chickpea specialist	E-mail: mterrefe@acdivocaeth.org, Tel: +251-911-671541
Nov 17-19, 2012	Post-Harvest Handling Training	Finoteselam	Maize VC	AGP-AMDe PHH specialist	E-mail: egeremew@acdivocaeth.org , Tel: +251-911-618211
Nov 18-24, 2012	Processing training for natural and honey coffee	Jimma	Coffee VC	AGP-AMDe Coffee VC specialist	E-mail: dnuri@acdivocaeth.org, Tel: +251-911-641461
Nov 20-22, 2012	Post-Harvest Handling Training	Mojjo	Wheat VC	AGP-AMDe PHH specialist	E-mail: egeremew@acdivocaeth.org , Tel: +251-911-618211
Nov 20-23, 2012	Sell More for More training	Buno Bedele FCU/	Maize/Coffee VCs	AGP-made BDS specialist	E-mail: mbessir@acdivocaeth.org , Tel: +251-911-634304
Dec 1-4, 2012	ToT on Post-Harvest Handling	Jimma	Coffee VC	AGP-AMDe Regional PHH & WH Mangt. Officer	E-mail: kkebede@acdivocaeth.org, Tel: +251-911-203832

Date	Name of Event	Location	Sector	Organizing body	
				Responsible staff	Contact address
Dec 3-6, 2012	Sell More for More training	Melik Union/	Wheat VC	AGP-AMDe BDS specialist	E-mail: mbessir@acdivocaeth.org , Tel: +251-911-634304
Dec 4-7, 2012	Sell More for More training	Yirgachefe	Coffee VC	AGP-AMDe BDS specialist	E-mail: mbessir@acdivocaeth.org , Tel: +251-911-634304
Dec 9-11, 2012	Managing Ki-projects (M & E MIS system)	Addis Ababa	M & E	AGP-AMDe	E-mail: Anna Maria Levi [annamaria.levi@kimetrica.com]
Dec 10-12, 2012	Post-Harvest Handling Training	Worabe	Wheat VC	AGP-AMDe PHH specialist	E-mail: egeremew@acdivocaeth.org , Tel: +251-911-618211
Dec 10-12, 2012	Nutrition-Global Learning and Evidence Conference	Kampala	Nutrition	AGP-AMDe Nutrition and HIV/AIDS Advisor	E-mail: tazage@acdivocaeth.org, Tel: +251-911-642249
12-Dec-12	Strategic planning for Ethiopian Coffee export initiative	Addis Ababa, Washington	Coffee VC	AGP-AMDe Coffee VC specialist	E-mail: dnuri@acdivocaeth.org, Tel: +251-911-641461
17-Dec-12	Multi-stakeholder Platform Meeting (MSP)	Gondor	Chickpea VC	AGP-AMDe Chickpea specialist	E-mail: mterrefe@acdivocaeth.org, Tel: +251-911-671541
December 17-20,2012	Sell More for More training	Sidama Elto FCU/	Maize VC	AGP-AMDe BDS specialist	E-mail: mbessir@acdivocaeth.org , Tel: +251-911-634304
Dec 18-21, 2012	Sell More for More training	Raya Wakena FCU	Wheat VC	AGP-AMDe BDS specialist	E-mail: mbessir@acdivocaeth.org , Tel: +251-911-634304
Dec 25-26, 2012	Post-Harvest Handling Training	Tullubollo	Chickpea VC	AGP-AMDe PHH specialist	E-mail: egeremew@acdivocaeth.org , Tel: +251-911-618211

Upcoming Key Events for January – March 2013

Date	Name of Event	Location	Sector	Organizing body	
				Responsible staff	Contact address
Jan 4, 2013	Innovation grants information session	Addis Ababa	Innovation grant	AGP-AMDe Grant Team	E-mail: apavlovic@acdivocaeth.org, Tel: +251-923-292514
Jan 8, 2013	FCU-Ambo Mill MOU signing	Ambo	Wheat	AGP-AMDe Wheat & Finance	E-mail: zyilma@acdivocaeth.org, Tel: +251-911-406476
Jan 8, 2013	Innovation grants information session	Adama	Innovation grant	AGP-AMDe Grant Team	E-mail: apavlovic@acdivocaeth.org, Tel: +251-923-292515
Jan 9, 2013	Innovation grants information session	Bahir Dar	Innovation grant	AGP-AMDe Grant Team	E-mail: apavlovic@acdivocaeth.org, Tel: +251-923-292516
Jan 10, 2013	Innovation grants information session	Hawassa	Innovation grant	AGP-AMDe Grant Team	E-mail: apavlovic@acdivocaeth.org, Tel: +251-923-292517
Jan 10, 2013	Coffee sustainability working group	Addis Ababa	Coffee VC	AGP-AMDe Coffee Team	E-mail: dnuri@acdivocaeth.org, Tel: +251-911-641461
January 10-13, 2013	TOT Agricultural Value Chains gender training	Alamata	Gender	AGP-AMDe Gender Specialist	E-mail: yhailu@acdivocaeth.org, Tel: +251-911-239481
Jan 12, 2013	Innovation grants information session	Mekele	Innovation grant	AGP-AMDe Grant Team	E-mail: apavlovic@acdivocaeth.org, Tel: +251-923-292518
Jan 15, 2013	Regional honey Multi Stakeholder Meetings	Bahir Dar	Honey VC	AGP-AMDe Honey VC Specialist	E-mail: mashagrie@acdivocaeth.org, Tel: +251-911-122582
Jan 15-16, 2013	Agricultural Finance Enabling Environment Forum	Addis Ababa, Hilton	Enabling Environment	AGP-AMDe Senior Policy Team Leader	E-mail: mtadesse@acdivocaeth.org, Tel: +251-911-871521
Jan 15-18, 2013	Sell More for More Training for Keffa forest Coffee union	Kaffa	Coffee VC	AGP-AMDe BDS Specialist	E-mail: mbessir@acdivocaeth.org, Tel: +251-911-634304
Jan 21-25, 2013	Judge calibration for taste of Harvest Competition	Addis Ababa	Coffee VC	AGP-AMDe Coffee VC Specialist	E-mail: dnuri@acdivocaeth.org, Tel: +251-911-641461
Jan 21-24, 2013	SMFM training for Edget seed producer and marketing union		Wheat VC	AGP-AMDe Wheat VC Specialist	E-mail: zyilma@acdivocaeth.org, Tel: +251-911-406476
Jan 21-28, 2013	FCU maize delivery readiness assessment	Amhara	Maize	AGP-AMDe Post-Harvest Handling Specialist	TBD

Date	Name of Event	Location	Sector	Organizing body	
				Responsible staff	Contact address
Jan 22-23, 2013	Agricultural Risk evaluation training	Adama	Access to finance	AGP-AMDe Rural Finance Training Coordinator	E-mail: zteklu@acdivocaeth.org, Tel: +251-911-173411
Jan 22-30, 2013	FCU maize delivery readiness assessment	Oromia & SNNPR	Maize	AGP-AMDe Warehouse expert	TBD
Jan 23-24, 2013	TOT on gender in value chains	Butajira	Gender	AGP-AMDe Gender Specialist	E-mail: yhailu@acdivocaeth.org, Tel: +251-911-239481
Jan 25, 2013	Coffee quality improvement workshop	Addis Ababa	Coffee VC	AGP-AMDe Coffee VC Specialist	E-mail: dnuri@acdivocaeth.org, Tel: +251-911-641461
Jan 28-29, 2013	Training on high quality seed & seedling production and nursery management for CIGs		Coffee VC	AGP-AMDe Coffee VC Specialist	E-mail: dnuri@acdivocaeth.org, Tel: +251-911-641461
Jan 31, 2013	ECX national cooperatives forum & MOU Signing Ceremony	Addis Ababa, Ghion Hotel	Enabling Environment	AGP-AMDe Senior Policy team leader	E-mail: mtadesse@acdivocaeth.org, Tel: +251-911-871521
Jan 28, 2013	Coffee dry milling workshop for ECEI stakeholders	Addis Ababa	Coffee VC	AGP-AMDe Coffee VC Specialist	E-mail: dnuri@acdivocaeth.org, Tel: +251-911-641461
Jan 29, 2013	Regional Honey Multi Stakeholder Meeting		Honey VC	AGP-AMDe Honey VC Specialist	E-mail: mashagrie@acdivocaeth.org, Tel: +251-911-122582
Jan 30-31, 2013	WFP and FCU maize delivery price re-negotiations	Regions	Maize VC	AGP-AMDe VC specialist, ATA	E-mail: zyilma@acdivocaeth.org, Tel: +251-911-122582
Feb 3, 2013	Final readiness assessment	Amhara	Maize	AGP-AMDe Maize VC Specialist	Email: yagonafir@acdivocaeth.org +251-911-665143
Feb 4-6, 2013	Ethiopia Taste of Harvest	Addis Ababa, ECX coffee laboratory	Coffee VC	AGP-AMDe Coffee VC Specialist	E-mail: dnuri@acdivocaeth.org, Tel: +251-911-641461
Feb 4-8, 2013	Monitoring and Evaluation Training	Addis Ababa	M & E	AGP-AMDe M&E Team	E-mail: mabraha@acdivocaeth.org, Tel: +251-911-678416
Feb 5-6, 2013	Exporters Training	Beshale Hotel, Addis	Agricultural Marketing	AGP-AMDe Export Consultants	E-mail: Ben Aschenaki [benaschenaki@yahoo.com]

Date	Name of Event	Location	Sector	Organizing body	
				Responsible staff	Contact address
Feb 12-13, 2013	Agricultural Leasing Business Training	Addis Ababa	Access to finance	AGP-AMDe Rural finance training Coordinator	E-mail: zteklu@acdivocaeth.org, Tel: +251-911-173411
Feb 14-16, 2013	African Fine Coffee Association Annual Conference and expo	Kampala, Uganda	Agricultural Marketing	AGP-AMDe Export Consultants	E-mail: Ben Aschenaki [benaschenaki@yahoo.com]
Feb 20-21, 2013	Coffee marketing intelligence workshop	Addis Ababa	Coffee VC	AGP-AMDe Export Consultants	E-mail: Ben Aschenaki [benaschenaki@yahoo.com]
Feb 21-27, 2013	17th Addis Chamber Trade Fair	Addis Ababa	Marketing	AGP-AMDe Agricultural Marketing Specialist	E-mail: gbekele@acdivocaeth.org , Tel: +251-910-357329
Feb 26-28, 2013	FoodEx Trade Show	Dubai	Agricultural Marketing	AGP-AMDe Export Consultants	E-mail: Ben Aschenaki [benaschenaki@yahoo.com]
March 2013	Training on saving mobilization, cash flows, risk analysis of agricultural lending	TBD	Access to finance	AGP-AMDe Rural finance training Coordinator	E-mail: zteklu@acdivocaeth.org, Tel: +251-911-173411
March 2013	Trade show	Japan/Korea	Agricultural Marketing	AGP-AMDe Export Consultant	E-mail: Ben Aschenaki [benaschenaki@yahoo.com]
March 21-23, 2013	National Coffee Association Convention	San Francisco, CA	Agricultural Marketing	AGP-AMDe Export Consultant	E-mail: Ben Aschenaki [benaschenaki@yahoo.com]
March 25-30, 2013	4th MSP meeting	Amhara	Maize	AGP-AMDe Maize VC Specialist	Email: yagonafir@acdivocaeth.org Tel: +251-911-665143
TBD	TOT on soil sampling techniques	All four regions	Input	AGP-AMDe staff	E-mail: ameherka@acdivocaeth.org , Tel: +251-910-322004
TBD	Study tour on agri-business networking	Kenya	Input	AGP-AMDe staff	E-mail: stafesse@acdivocaeth.org , Tel: +251-924-457677
TBD	Preparation for establishment of maize demonstrations	SNNPR	Input	AGP-AMDe staff	E-mail: stafesse@acdivocaeth.org , Tel: +251-924-457678

Component I – Improving Value Chain Competitiveness

Component I, as the most comprehensive and key component on the project, continues to attract substantial amount of effort and resources from the AGP-AMDe team. During this quarter, the team made substantial inroads towards rolling out new activities under all 6 value chains, with specific focus on facilitating and creating new marketing opportunities, strengthening business development services and improving input distribution systems.

Marketing

Initiatives on domestic and international marketing provided promising leads and developments during this reporting period resulting in \$1,682,625 in exports, and \$3,687,009 in incremental sales at farm gate. While most of the direct linkages established by the project are described in the value chain sections, some of the broader initiatives focused on restructuring marketing systems, raising awareness and creating new opportunities were also initiated.

To support development and improved performance of primary markets, the marketing team has engaged in dialogue with Oromia, Amhara and SNNPR Regional Marketing Agencies. As a result of this dialogue, Oromia regional office already submitted a concept note through APS process, while SNNPR and Amhara offices are expected to do so shortly after this quarter. Simultaneously, the project has been working closely with ECX on developing a MOU that will lead to collaborative work on introducing traceability systems for coffee, and depending on performance of the system, sesame. Considering the current issues with coffee traceability at the trading platform, this activity has potential to create substantial impact in both quality and price of traded coffee. AGP-AMDe and ECX also worked together on organizing a tendering process for FCUs to access an additional 30 permanent trading seats at ECX. East Africa Grain Council (EAGC) has also been developed joint concepts on structuring maize market in the country and concept note was delivered through the APS system for further processing. EAGC platform should unlock regional opportunities for maize trading as well as create better links between financial sector and some of the key maize stakeholders in the country. One of the annexes includes the trip report to Kenya facilitated by EAGC to learn best practices on warehouse receipt systems and structured trade.

To facilitate market linkages for project partners, AGP-AMDe has also been working actively on planning trade show participation, assessing capacity of current partners to supply sesame, chickpea, coffee and honey to foreign buyers and preparing for the exporters training. Leading effort on this front is the marketing consulting agency 2020DC, targeting honey, chickpea and sesame, whereas subcontractor CQI has revised the coffee strategy to focus on increasing export value. The main focus of activities conducted thus far by 2020DC has been to improve knowledge of international markets and establish contacts with new buyers, assessing niche market opportunities for Ethiopian products, and various marketing strategies, which should be roll out in the following quarter through trade show participation, export training for relevant stakeholders and targeted work on the ground with project partners to ensure and strengthen their ability to be effective suppliers and meet international standards and food safety.

Additionally, the AGP-AMDe team participated in the Corporate Council of Africa (CCA) Agribusiness Investment Forum in Addis Ababa November 12-14 whose objective is to increase private sector investment in sustainable African agribusiness projects. The team not only participated in the event as a facilitator for a panel discussion but also sponsored 25 participants and organized 20 business meetings between Ethiopian companies and investment funders as well as equipment and agro-suppliers.

Value Chains

Sesame Value Chain

Overview

The goal of AGP-AMDe in the sesame value chain is to increase supply and quality of sesame to meet international demand and increase sales through cooperative channels. In order to meet this goal, yields need to increase, quality control in post-harvest handling improved and reliable access to working capital for cooperatives, and links to diverse export markets increased. Thus, AGP-AMDe sesame value chain is working with clients and partners to increase production of quality sesame through training, input supply, access to finance, warehouse construction and market linkages in order for FCUs, PCs and related private sector partners to meet export market demand.

Summary of Key Results

- AGP-AMDe provided training to 253 (M=210, F=43) in Amhara and Tigray regions. The trainings covered marketing, access to agricultural finance, business development, Sell More For More (SMFM) and post-harvest handling.
- Four warehouses of 5,000MT each are under construction for Humera, Dansha, Metema and Abrehajira FCUs at a cost of \$2,118,409.41 based on a cost share plan of AGP-AMDe contributing 70% and the FCUs contributing 30%. A business plan (BP) was facilitated and submitted to CBE for 30% cost share loan and was approved. The first advance payment of \$722,978 was transferred to the respective FCUs to finance construction contractors and construction is approximately 35% complete. A consultant company, Hi-Tek PLC, was hired to monitor the construction and ensure construction progress on time.
- AGP – AMDe supported three FCUs, Tsehay, Meteam and Selam from Amhara to prepare bankable business plans for accessing working capital from the Commercial Bank of Ethiopia in the amount of USD 4.50 million which was granted during the quarter under review. The regional state provided the necessary guarantees required by the bank. That was preceded by rigorous capacity building support the FCUs in purchase planning, warehouse management, marketing for better profits, etc. that increased the bank's trust in the capacity of the FCUs to implement their business plans capably. The process of the loan approval involved several negotiations throughout which the AGP-AMDe team supported the FCUs. These loans allow the FCUs to purchase sesame from their smallholder farmer (SHF) members via their PCs.
- In response to the GoE's strategic directions to facilitate direct export by FCUs, a Task Force was established to support this in which AGP-AMDe was a key member along with ATA, Federal and Regional Cooperative Agency (F&RCA) and Agri-terra (a Dutch-based NGO). The team provided day to day information to the FCUs including buyer linkages, contract negotiations and conclusions and assisted them to outsource export processing and documentation to a service provider. This resulted in the following sales agreements concluded during the quarter under report for shipment during January-February 2013.

FCU	Sold /MT	Sales price USD/MT FOB	Total value in USD	Shipment destination
Tsehay	228	1,650	376,200	China
Metema	400	1,740	696,000	Israel and Turkey
Selam	638	1,740	1,110,120	Israel, Turkey & China
Total	1,266	1,723.79	2,182,320	

Industry Alliance Support to EPOSPEA

AGP-AMDe is committed to capacitate the umbrella association of the oilseeds industry, the Ethiopian Pulses, Oilseeds and Spices Processors and Exporters Association, EPOSPEA, so that it becomes the center of the industry's dynamism in leading its members to effectively exploit opportunities. To this end and in continuation of its work during Year I of the project, AGP-AMDe co-sponsored the second international conference on oilseeds and pulses organized by the association under the motto "Agri. Commodity Trade: Challenges and Opportunities," from November 28-29, 2012 at Sheraton Addis. The conference attracted 127 local and 75 International participants from 13 countries. The discussions focused on the challenges and opportunities in promoting the sector and to enable the producers, processors and exporters better production, quality and export.

Business to business meetings were part of the conference agenda in which several interactions and negotiations took place. A number of business opportunities have been discussed by the parties which are expected to generate tangible transactions during the coming quarter.

Key Activities and Successes

Demo Sites on new varieties and fertilizer trials

- AGP – AMDe conducted assessments on two new seed varieties and fertilizer trial in four demonstration plots
- The Good Agricultural Practices (GAP) technology transferred during the demonstrations was promoted to participating SHF, FCU and PC representatives who are now prepared to adapt and implement these practices in the coming crop season.
- AGP-AMDe sesame team collected yield data on the performance of the new seed varieties with and without fertilizer, which showed results indicated in the table below.

Plot No.	Improved Seed		Existing Seed		% age Increase of New seed	
	with Fertilizer	without fertilizer	with fertilizer	without fertilizer	With fertilizer	Without fertilizer
1	0.800	0.64	0.72	0.56	11.11	14.29
2	0.740	0.46	0.55	0.368	34.55	12.50
3	0.872	0.68	0.78	0.576	11.80	18.06
4	0.800	0.40	0.63	0.31	26.98	29.03
Average	0.803	0.545	0.67	0.4535	21.11	18.47

The AGP-AMDe initiated new variety with fertilizer application has a 21% production increase compared to the existing seed with fertilizer that can significantly improve individual SHF income as well as supply for the export market.

AGP-AMDe facilitated the initiation of warehouse construction of 5,000MT for four FCUs, Setit Humera, Dansha Aurora, Metema and Selam. The project team led the process through the following steps:

- Site selection and environmental impact assessment
- Identified construction supervising firm and contracted
- FCU business plans finalized, delivered to Amhara and Tigray CBE Regional Offices to enable them a 30% cost share loan and assisted them in the negotiations
- FCUs and AGP-AMDe signed grant fund agreements in Mekelle and Bahir Dar
- AGP-AMDe released its first grant payment to four FCUs totaling \$722,978.

- Construction of all four warehouse sites commenced and AGP-AMDe staff and USAID counterpart visited the sites and made recommendations to improve the construction

Market Linkages

AGP-AMDe's sesame team organized a multi-stakeholders platform meeting in which the zonal administration, cooperative and agricultural agencies interfaced with key actors in the value chain such as ECX, TMF and FCUs to discuss partnership and support mechanism for enhancing sesame sales during the current crop season. The meeting agreed on the various options available to FCUs in trading which are a) direct export for those able to do the job, b) supply to TMF if the latter provides for working capital and c) trade on ECX floor if that offers better benefits and agreed to the following:

- Setit Humera will direct export independently by receiving or buying from its member PCs.
- Dansha Aurora will work with TMF or deliver to ECX.
- Tekeze and Lemlem Welkayit will work directly with TMF.
- TMF will export directly by working with all FCU/PCs on mutual understanding and agreement for the benefit of the SHF finally.
- Setit Humera and Dansha Aurora FCUs will construct warehouses with a capacity of 5,000mt. TMF has the capacity to buy and store 10,000mt of sesame and will focus on modern cleaning machine with a color sorter, making products marketable to the USA and Europe.

Accordingly, the following local transactions took place during the quarter under review:

Sales: FCUs to Tigray Marketing Federation (TMF) and Ethiopian Commodity Exchange (ECX)

FCUs	Delivery to TMF	Delivery to ECX	Stock at hand	Total in MT
Dansha Aurora	190.0	100.1	20	310.1
Tekeze	35.4		27	62.4
Lemelm Welkayit	84.3		105	189.3
TMF	Export – 500.0		1,320	1,820
Total	809.7	100.1	1,472	2,381.8

Analysis of the Sesame Value Chain

Challenges

- AGP-AMDe recognizes the sesame value chain faces considerable challenges that it tries to alleviate through its multi-faceted interventions. The following the major ones focused upon during the period under review: Lack of sustainable supply of new sesame varieties
- Poor extension services in GAP and the resultant low productivity
- Improper land management/lack of crop rotation
- High post harvest loss and inconsistency in quality of produce
- Dependence on rain feed production, which renders ultimate harvest unpredictable due to excessive or shortage of rain
- Lack of access to finance for output purchase
- Lack of proper market information and promotion
- Poor value added initiatives

Opportunities:

However, it is also evident that the value chain holds promising potential that can increase benefits for the small holder farmers which constitute the bulk of the industry, including:

- Government support and favorable policy
- Diverse agro-ecology and climatic conditions and ample land for organic sesame production
- Attractive trade and investment incentives
- Growing public private partnership opportunities
- Growing international market demand for organic sesame in the last five years

AGP-AMDe's interventions are leveraging these opportunities to unleash the potential to improve the livelihood of the small holder and large scale farmers engaged in the value chain.

Sesame Value Chain Activity Tracker

Activity Description	Performance Indicators/Targets		Partners	Region	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Unit	Total												
IR 1: Improve the Competitiveness of Sesame VC														
Sub IR 1.1: Volume and value of marketed value chain surpluses increased as a result of improved end-market competitiveness and trade														
OP 1.1.1: Marketing Systems and Practices Improved														
Training of trainers in SMFM business training module delivered (negotiation, pricing, promotion, creating linkages, relationship management, etc.) to be cascaded to FCU leaders and business operators	# trainers trained	120	NGOs, MOA, FCUs, Marketing Agency	Tigray, Amhara and Oromia										
Facilitate market linkages to support inclusion of CIGs, w omen and youth group aggregators	# CIG groups	250	AGP, CIGs	Oromia, Amhara	In process									
Capacitate EPOSPEA to sustainably and self-sufficiently manage promotion of oils seeds and pulses through technical assistance	TBD	TBD	EPOSPEA	Addis Ababa	In process									Proposal for grant support has been received and is currently under review
OP 1.1.2: Specific and Effective Market Linkages Created														
Assist FCUs to obtain permanent trading seats in ECX	# FCUs	4	FCUs, ECX	Addis Ababa										
OP 1.1.3: Promote Export Market Linkages														
Facilitate marketing agreements among FCUs, TMF, private sesame processors and exporters and producers, for increased export market performance	# agreements developed	4	FCUs, TMF	Tigray	3									
Sub IR 1.2: Increased volume and value of commodities purchased from smallholders														
OP 1.2.2: Post-Harvest Losses Reduced and Farm Income Opportunities Expanded Through Mechanization														
Training of trainers in post-harvest handling module delivered (product handling, basic processing, quality measuring, w arehouse management, etc.) to be cascaded to SHF	# trainers trained	40	FCUs, Das, AGP	Tigray, Amhara	23									
Commercial storage capacity increased through cost-shared investments in strategic locations (continuing into year 3)	Cubic Meters	49,140	Selam, Settit, Dansha, Humera FCUs	Tigray, Amhara	In process									four w arehouses of 5000 MT capacity each under construction planned to be completed during 2nd quarter

Activity Description	Performance Indicators/Targets		Partners	Region	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Unit	Total												
Post-harvest and value addition equipment introduced at Federation, FCU, primary and CIG level	# FCUs adopting	5	AGP, FCA, FCUs , TMF	Tigray, Amhara		In process								Partly to be provided on completion of new warehouses
Facilitate investments in leasing business to promote mechanization	# tractors	26	DCA/USAID, TMF	Tigray		In process								Discussion already underway including suppliers. Hope to start some by next crop cycle
OP 1.2.3: Collaboration Between Stakeholders Facilitated and Established														
Multi-stakeholder meeting facilitated twice a year in each region to update on project progress and ensure B2B connections	# MSPs	6	ATA, AGP, regional government, private stakeholders	Two in each region per year										
Sub IR 1.3: Higher smallholder incomes from selected commodities per unit of land														
OPP 1.3.1: The Volume of Marketed Chickpea Increased														
Adoption of new technologies facilitated (in coordination with AGP and input activities - please see input GANTT)	hectares under improved technologies	500	FCUs, CIGs, AGP	Tigray, Amhara		In process								Demonstration of new technologies extensively done. Adoption expected during next crop cycle.
Sub IR 1.4: Yields of targeted crops increased														
OP 1.4.1: Reliable Access to Improved Seed and Improved Technology/Inputs Expanded														
Regional research centers capacitated through provision of irrigation systems, seed lab, etc., to ensure sufficient production of basic seed	# ARCs supported	1	Humera ARC	Tigray										
Seed producer FCUs/cooperatives capacitated to manage input business units (continuing into year 3)	# FCUs/co-ops assisted	4	FCUs	Tigray, Amhara										

Chickpea Value Chain

Overview

The AGP-AMDe vision for the chickpea value chain is to expand improved production to meet the growing domestic and export markets. The project aimed for \$1.7 million incremental sales and an additional 7,000MT storage capacity for two FCUs in Oromia and Amhara regions during the year. The strategies designed to achieve the targets include creating partnerships with major stakeholders, such as agricultural research centers, ATA, MoA and seed enterprises, enhancing production of chickpea, availability and access to improved seed varieties, popularizing chickpea production in the Rift Valley and lowland areas, facilitating market linkages and enhancing access to finance for FCUs in target areas.

Summary of Key Results

- AGP-AMDe conducted field assessments on three FCUs to determine the gaps they have with respect to achieving the growth objective the project has for the value chain. Based on these assessments, project personnel provided 88 trainees from the FCUs and Das from Amhara and Oromia with training in chick pea quality management while the crop is still in the field.
- In Becho Wolliso and Lume Adama, 65 people from the FCUs, PCs and BoA received training in post-harvest handling with a view to prepare them to handle the increased production foreseen from the current crop improved seeding that was supported by the project during the previous quarter.

The project conducted a multi-stakeholders platform meeting in Gondar where 33 participants, (1 female), from different stakeholders including processors took part.

Key Activities and Successes

- The trainees from the Oromia region applied their newly acquired skills to contain an outbreak of bollworm from damaging chick pea crop in the field during the quarter under report which was a success for most of the chickpea planted in the seven woredas, representing 3,697 SHF's who are beneficiaries under the current chickpea intervention. The project spearheaded coordination of efforts by the concerned FCUs, ATA, Woreda and Zonal BoA and administration offices which was fully recognized by the FCUs and the other partners.
- AGP-AMDe also facilitated market linkage between Becho Woliso FCU and Gut Agro Industry, a processor in Addis Ababa with an annual intake of 1800 MT of chick pea. The two parties signed an MoU expressing their common interest to develop the partnership into a firm and sustainable contract. The parties estimate a total of 651 MT of grain chick pea can be signed into contract from the current crop at the end of the harvest.
- In the above mentioned multi-stakeholders platform meeting, Gut Agro Industry presented best practices in chickpea value addition – how and what foods they prepare from it; processors' demand in terms of quality standards including moisture content, weed, pest, maximum allowable foreign materials content, pesticide residue, etc. That created a unique opportunity for chickpea farmers and facilitators in the meeting who had never had similar experience discussing face to face with the industry's end market.



Trainees on field quality management at the chickpea demo site in Dembia, Northern Gondar, Nov 17, 2012

Analysis of the Chickpea Value Chain

Challenges

There are several constraints impeding the growth of the chickpea value chain. Some of these are structural and the others are systemic that AGP-AMDe's strategies try to alleviate. The following are the major ones:

- Across the industry, there is serious inadequacy of improve seed supply
- The lack of quality pesticides leads to an estimated production loss of 5-10%
- The chick pea market is traditional and not transparent in general and particularly smallholder farmers have no idea what their produce may fetch at the end of the harvest.
- Constraints in accessing agricultural finance render the chick pea value chain, as in other crops, inefficiently equipped with traditional hardware and agronomic practices that do not contribute to improving quality not to enhancing quantity of produce.
- The Ethiopian chick pea industry is traditionally handled and managed at both production and marketing fronts. This renders it incompatible to the fast changing market circumstances that characterize the food processing industry locally and globally.
- Export markets for chickpea are underdeveloped and lack stability, due to challenges in sustainably meeting the required quality and quantity on the supply side

Opportunities

And yet, the chick pea value chain holds considerable promising potentials for the SHFs making their living out of it. AGP-AMDe's interventions are designed to scale up these opportunities and maximize the benefits that can accrue to the stakeholders all along the value chain. The following are some of them:

- Support scaling up multiplication of improved varieties of both Desi and Kabuli types and coordinate efforts with other partners like ATA, EIAR and other GoE bodies to put in place marketing systems that ensure timely and appropriate distribution of such improved seed to farmers
- Strengthen capacity and linkages for community-based and cooperative seed producers
- Support and strengthen formal seed sector to scale up production of improved chickpea seed
- Strengthen the link between chickpea-producing smallholder farmers and cooperatives with exporters, local traders, domestic processors and associations.
- Strengthen export relationships with destination markets to increase volume and consistency of exports

All the interventions made by AGP-AMDe during the quarter directly target results that impact the stakeholders in this regard. In response to the challenges, AGP-AMDe has focused interventions that assist in improving the situation in the chick pea value chain. This starts with ensuring adequate supply of improved seed and introduction of better post-harvest practices that reduce losses. Linking the production front to the market end will channel timely information on market requirements and trends to producers and thereby increase their awareness of what fetches better in the market place. The various skill and management trainings provided to producers and agro processors not only sharpen the capacities of the players to proactively and competitively be engaged in the industry but also expand opportunities of the value chain. The interface that is created by the multi-stakeholders platform meetings create trust and understanding between the key players in the chick pea value chain so that they forge partnerships and galvanize efforts to address their common challenges jointly.

Chickpea Value Chain Activity Tracker

Activity Description	Performance Indicators/Targets		Partners	Region	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Unit	Total												
IR 1: Improve the Competitiveness of Chickpea VC														
Sub IR 1.1: Volume and value of marketed value chain surpluses increased as a result of improved end-market competitiveness and trade														
OP 1.1.1: Marketing Systems and Practices Improved														
Training of Trainers in SMFM business training module delivered (negotiation, pricing, promotion, creating linkages, relationship management, etc.) to be cascaded to FCU and business leaders	# trainers trained	80	MOA, FCUs, Marketing Agency	Oromia, Amhara										
Facilitate market linkages to support inclusion of CIGs, w omen and youth group aggregators	# CIG members	250	AGP, CIGs	Oromia, Amhara	In process									
Capacitate EPOSPEA to sustainably manage promotion of oils seeds and pulses through technical assistance	TBD	TBD	EPOSPEA	Addis Ababa	In process									Proposal for grant funding has been received currently under review planned to be finalized during 2nd quarter
OP 1.1.2: Specific and Effective Market Linkages Created														
Assist FCUs to obtain permanent trading seats in ECX	# FCUs	4	FCUs, ECX	Addis Ababa										
FCUs assisted to make contractual agreement and increase volume of sales	# FCUs linked w ith buyers	3	ATA, Guts Agro, FCUs, TBD	Oromia, Amhara										
Support participation in international trade show s for key stakeholders	# partners participating	3	FCUs, Omega Farms, exporter	Oromia										
Sub IR 1.2: Increased volume and value of commodities purchased from smallholders														
OP 1.2.2: Post-Harvest Losses Reduced and Farm Income Opportunities Expanded Through Mechanization														
Training of Trainers in post-harvest handling module delivered (product handling, basic processing, quality measuring, w arehouse management, etc.) and cascaded to SHF	# trainers trained	60	FCUs, DAs	Oromia, Amhara			38							
Commercial storage capacity increased through cost-shared investments in strategic locations (continuing into year 3)	Cubic Meters	24,570	FCUs, banks	Oromia, Amhara										

Activity Description	Performance Indicators/Targets		Partners	Region	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Unit	Total												
Post-harvest and value addition equipment introduced at FCU, primary and CIG level	# FCUs adopting	2	AGP, FCA, Becho Wolliso, Tsehay	Oromia, Amhara		In process								Proposal for grant funding has been received currently under review planned to be finalized during 2nd quarter
OP 1.2.3: Collaboration Between Stakeholders Facilitated and Established														
Multi-stakeholder meeting facilitated twice a year in each region to update on project progress and ensure B2B connections	# MSPs	4	ATA, AGP, regional government, private	Two in each region per year										
Sub IR 1.3: Higher smallholder incomes from selected commodities per unit of land														
OPP 1.3.1: The Volume of Marketed Chickpea Increased														
Adoption of new technologies facilitated (in coordination with AGP and input activities - please see input GANTT)	hectares under improved technologies	4600	FCUs, CIGs, AGP	Oromia, Amhara		In process								Introduction and demonstration of new technologies has been carried out during the quarter. Actual adoption expected in the next crop cycles.
Completion of BPs with key FCU partners to improve access to finance and increase purchasing capacity	# FCUs accessing financing	3	Becho, Wolliso, Tsehay, ATA, Banks	Oromia, Amhara										
Sub IR 1.4: Yields of targeted crops increased														
OP 1.4.1: Reliable Access to Improved Seed Expanded														
Regional research centers capacitated through provision of irrigation systems, seed labs, etc., to ensure sufficient production of basic seed	# ARCs supported	1	Debre Zeit ARC	Oromia										
Seed producer FCUs/cooperatives capacitated to manage input business units (continuing into year 3)	# FCUs/co-ops assisted	2	ATA, Becho Wolliso, Tsehay	Oromia, Amhara		In process								Training in input management provided. Proposal for grant to construct warehouses under consideration.

Coffee Value Chain

Overview

Coffee is the backbone of the Ethiopian economy. It is the main livelihood for more than 15% of the population and it is also the major source of foreign exchange for the country. Despite immense untapped potential, the sector is not well developed and the resource is not exploited properly or efficiently. AGP-AMDe supports the coffee sector to improve productivity, quality, marketing and capacity.

Summary of results

- 322 trainees received coffee harvesting, processing and post-harvest handling trainings
- 734,249 kg coffee was properly handpicked and sold to nearby coffee washing stations
- 6 coffee unions and 2 associations benefitted from standards conference and workshops
- 419 individuals participated in trainings, conferences and workshops
- 280 tons of parchment coffee was prepared and stored at warehouses in AGP-AMDe woreda PCs
- 18 ,000 kg of natural sundried coffee was sold as a result of the training held in Jimma and Choche on harvesting and drying by HiU Coffee with high premium

The trainings also clearly contributed to outstanding performance by several primary cooperatives and unions, who diligently continue to apply new skills. Below is the summary of their seasonal purchase.

Summary of volume and value of coffee purchased by primary cooperatives for processing as of December 31, 2012

Union	# woreda	# PC	Purchased Red cherry in kg	Value in ETB	Unit price ETB
OFCU/ARGA	2	10	922,789	7,675,641	8.3
OFCU/Bedele /Chora	4	6	145,189	958,322	6.6
Limmu Inarea	3	19	705,004	4,582,526	6.5
Total	9	35	1,772,982	13,216,489	7.5

Key Activities and Successes

- Conducted the Advanced Cupping of Arabica Naturals Workshop at ECX lab in Addis Ababa on November 8, 2012. In the workshop, the scientific explanation of dry processing/scientific analysis of dry processing/comparative cupping sessions, of washed, pulped and natural, was conducted. Best processing practices, old processing traditions, new theories and available technologies were combined to produce high quality naturals, and the experiences of other countries were discussed.
- Processing training for natural and “honey” processed coffee was provided in two places around Jimma Area. Trainings took place in the research center and in Choche primary cooperative site by consultants from India and Panama from November 20 to 23, 2012. Participants included zonal & woreda cooperative agencies, agricultural offices, JARC, ECX, FCU, Technoserve cuppers,

- HiU Coffee purchased 18,000 kg of natural sundried coffee at a high premium as a result of the trainings held in Jimma and Choche on harvesting and drying.

Practical Cupping sessions were conducted to identify natural and honey processed coffees, to differentiate the taste profiles and how they relate to various processing techniques.



- AGP-AMDe provided ToT to 37 trainees on harvest and post-harvest handling techniques of the coffee value chain (natural and wet processed and semi-washed coffee). The trainees consisted of woreda experts and DAs on coffee areas in 5 AGP-AMDe woredas within Jimma and Illubabor zones.
- Provided technical assistance on preparation of the concept note for grant applicants for Oromia, Limmu Enariya and Bedele FCUs.

Taste of Harvest Competition

Arrangements were made to have samples collected (washed and sundried) from the washing stations in Oromia woredas of Jimma and Illubabor zones from 38 primary cooperatives and to be delivered to ECX through the unions.



Washed coffee prepared in Ilubabor zone Gechi woreda Kampi Primary cooperative



Cherry collected for the preparation of sundried coffee

Analysis of the Coffee Value Chain

Challenges

The main challenge to the Ethiopian coffee industry is to improve the yield by hectare, promote high yield, high quality and specialty cup profile varieties. Improving the quality of coffee harvesting and processing is the most challenging adaptation at the farm level. This factor is directly associated with the international prices paid by the specialty coffee buyers.

Traceability became an issue in recent years, especially for the high end market, but cooperatives and private producers are challenged to develop a clear system for traceability. The 2013 crop is late, and there is a reduction of the total crop volume, in addition to a decline at the market prices compared to the previous year. Prices are at minimum 40% less, which will have a negative impact on the farmers and the whole coffee industry.

Opportunities

Every day the high demand for good quality Ethiopian coffee increases in the specialty coffee markets in USA, Europe, Australia and Asian countries (especially Japan, Korea and Taiwan). In recent years, the world barista championship (WBC) has been a testimony to many Ethiopian specialty natural sundried and washed coffees. Etio. Co. has historically been on the espresso market, and in the last 10 years there is increasing international recognition of the unique quality profiles of the coffees from different areas of Ethiopia and consumer preference for quality Ethiopian coffee has emerged in developed

countries. This has opened a market window into the specialty coffee world that could be fulfill by Ethiopia for its variety of attributes. Another testament to market potential of Ethiopian coffee is that 9 of 15 winning coffees from the Good Awards Prize came from Ethiopia.

Coffee Value Chain Activity Tracker

Activity Description	Performance Indicators/Targets		Partners	Region	Oct	Nov	Dec	Jan	Feb	March	April	May	June	
	Unit	Total												
IR 1: Improve the Competitiveness of Coffee VC														
Sub IR 1.1: Volume and value of marketed value chain surpluses increased as a result of improved end-market competitiveness and trade														
OP 1.1.1: Marketing Systems and Practices Improved														
Work with ECX on establishing traceability systems: GOE system platform and new indexed grading system (continuing into year 3)	# systems established	2	ECX, FCUs, private partners	Country wide	under way/ ongoing									
Capacitate local entity to sustainably manage cupping caravans, based on the Taste of Harvest model (continuing into year 3)	# local entities identified and capacitated	1	ECX, ECEA, ECGEA	Country wide	under way/ ongoing									
SMFM business training module delivered (negotiation, pricing, promotion, creating linkages, relationship management, etc.)	# of trainers trained	120	NGOs, MOA, Marketing Agency, FCUs	Oromia, SNNPR										
Facilitate market linkage to support inclusion of CIGs, women and youth group aggregators	# CIG members	200	AGP, CIGs	Oromia, SNNPR										
OP 1.1.2: Specific and Effective Market Linkages Created														
Assist FCUs to obtain permanent trading seats in ECX	# FCUs	2	Limu Inaria, Kaffa FCU, ATA	Addis Ababa										
Support participation in international trade shows for key stakeholders, SCAA in Boston for specialty coffees	# firms attending shows	8	ECX, FCUs, private companies	Oromia, SNNPR										
Sub IR 1.2: Increased volume and value of commodities purchased from smallholders														
OP 1.2.2: Post-Harvest Losses Reduced and Farm Income Opportunities Expanded Through Mechanization														
Provide financial assistance on cost-share basis to establish dry mill systems	# partners receiving support	3	Limu Inara, Kaffa FCU, private sector	Oromiya, SNNPR										
Establish cupping labs in strategic locations to support processing investments	# cupping labs	3	Limu Inara, Kaffa FCU, private sector	Oromia, SNNPR										

Activity Description	Performance Indicators/Targets		Partners	Region	Oct	Nov	Dec	Jan	Feb	March	April	May	June
	Unit	Total											
SMFM post-harvest handling module delivered (product handling, basic processing, quality measuring, warehouse management, etc.) in coordination with field training workshop on farm-level processing focusing on women	# trainers trained	100 + 50 additional women	FCUs, CIGs, private producers, MOA, marketing agency, AGP, exporters	Oromia, SNNPR		underway/ongoing/Djimm							
OP 1.2.3: Collaboration Between Stakeholders Facilitated and Established													
Multi-stakeholder meeting facilitated once a year in each region to update stakeholders on project progress and ensure B2B connections	# MSPs	2	ATA, AGP, regional government, private stakeholders	One in each of 2 regions per year									
Sub IR 1.4: Yields of targeted crops increased													
OP 1.4.1: Reliable Access to Improved Seed Expanded - Provide TA to EAR and Regional ARCs													
Regional research centers capacitated through provision of irrigation systems, seed lab, etc., to ensure sufficient production of basic seed	# ARCs supported	1	Jimma ARC	Oromia, SNNPR	underway/ongoing								
OP 1.4.2: Support Production of Improved Seedlings Required for Increased Coffee Plantation													
Develop a strategy with Jimma ARC, key stakeholders and producer associations on seedling renewal/replacement	# strategies	1	Jimma ARC, ECX, exporters, FCUs, private producers	Oromia, SNNPR	underway/ongoing								
Implement seedling distribution and planting strategy to introduce 10 million new seedlings (continuing into year 3, 4 and 5)	# seedlings introduced	10,000,000	Kaffa, Limu Inaria, Oromia FCUs	Oromia, SNNPR	underway/ongoing								
Sub IR 1.5: Increased volume of targeted crops meeting accepted international market requirements													
Facilitate Taste of Harvest competition in coordination with ECX and other industry stakeholders	# competition	1	FCU, ECEA, ECGPEA, ECX, CLU, FCU, MoT, MoA	Oromia, SNNPR	underway/ongoing								
Facilitate cupping caravan with local partner/s and ensure sustainable local ownership of the activity	# caravans	1	EEA, EGA, ECX, MOT, FCUs, private growers,	Oromia, SNNPR									
Certify ECX labs to improve Q grader training	# labs	5	Labs, ECX	Oromia, SNNPR									
Conduct Q grader training courses using the Q grader system	# trainees	15	Regional Agr. Offices, ECX, CLU, ECEA, ECGPEA, FCU, MoT, MoA	Oromia, SNNPR									

Honey Value Chain

Overview

The AGP-AMDe vision for honey is to improve the competitiveness of the industry by modernizing production and increasing the volume of quality honey for the domestic and export markets. Other honey products will also be considered as market opportunities. AGP-AMDe's interventions during the quarter under review delivered major achievements towards increasing the supply and quality of honey to meet the strong demand in various market channels (local and export markets).

During this quarter, the following strategies were pursued to achieve the project vision:

- Multi-stakeholder meetings were held in each region to organize working groups and agree on implementation modalities
- EU certification at the country level was facilitated in coordination with MOA and EAB for all producers and processors interested in exporting
- A major international honey event, ApiExpo, the biggest in Africa, was organized at the end of the year to promote networking, exposure and market linkages for industry stakeholders.



The major activities of this quarter, therefore, were building on the previous initiatives and provide technical on-the-job assistance to smallholder farmers as this quarter was the major harvesting season in most of AGP-AMDe operation areas.

Summary of Results

- A 3 day training of the trainers in gender and the honey value chain was organized in Bonga-SNNPR. The focus of the training was on honey processing, marketing and roles of women in the honey VC. 42 trainees participated (11 women). This ToT included participants from CIGs, primary coops, two unions, cooperative agencies, AGP coordinators and the Women Affairs Office.
- The project-assisted FCUs were able to sell US\$112,704 worth honey to local processors during the quarter. Out of these sales, US\$10,400 is exported.
- AGP-AMDe's honey value chain officers in Tigray and Amhara provided technical support for the consolidation and processing of 21MT of honey for which market linkage is planned during the next quarter.
- 15 institutions, including FCUs and private sector processors, were assisted through training, business plan preparation and other technical assistance.
- The participants of the experience-sharing visit from Tigray to Amhara transferred knowledge to 600 fellow beekeepers

Key activities and successes

- 75 participants, constituting representatives from 4 regional bureaus and district offices drawn from coops, women affairs, office of agriculture, AGP, honey coops and unions and women groups, went to Amhara for an experience-sharing visit. The key learning sites indentified as relevant for transforming PCs and FCUs are Agunta Honey coop in Danigla, West Gojjam, Zenbaba Union in Bair Dar and Awramba community.

- Experts, PCs, FCUs and SHF beekeepers from the three woredas (Endamohoni, Ofella and Welikayt) participated in cross-regional experience-sharing visits to Dangila and Bahirdar from November 30, 2012-December 1, 2012. At the end of the visit, all participants were informed and agreed to share the positive experience they have observed during the visit with other community members engaged in honey production in their respective woredas. The total numbers of participants on the knowledge transfer are stated below. One of the results of this visit is also to increase in women membership of Kiduse Silase PC from 2 to 20.

Woreda	Briefed participants(beekeepers)		Total
	Female	Male	
Endamohoni	9	24	33
Ofela	132	245	377
Welkayt	40	150	190
Total	181	419	600

- AGP-AMDe sponsored an experience sharing visit to Tigray by Oromia Region. A group of 29 honey cooperative members consisting of CIG groups who are organized under honey production and marketing in 21 AGP woredas and government experts from Women's Affairs Bureau, Oromia AGP coordinating bureau, Cooperative Agency and Livestock and Health Agency were selected for the visit in Tigray region from Nov 13-14, 2012. The visit focused on improved beekeeping management, honey processing and the cooperatives experience in honey marketing.
- A market linkage between a honey processor, Comel, primary cooperatives, model farmers and two unions was facilitated in Korem and Maichew in the presence of the Woreda Agricultural and Rural Development Head, Cooperative Promotion Agency Head, Woreda AGP focal persons and experts from the woredas. The linkage focused on forming mutually beneficial market partnerships, quality and quantity of honey production, transfer of technology and alleviating other constraints. The processor, Comel, will purchase honey from these coops after the harvest if they agree on prices and mode of delivery.
- A field trip to Amhara and Tigray defined buyer requirements based on the ApiExpo Africa 2012 evaluation and were communicated to FCUs and PCs and assessments of the capacities to meet the buyer needs were conducted.
- AGP-AMDe supported FCUs and PCs in finalizing business plans for submission. Hashenge FCU submitted a business plan which was reviewed and in the next stages towards approval. Targets for the second year are to support the coops and FCUs in the four regions to market 200 MT (100 MT for export and 100 MT for the domestic market), of which 60% is planned in this harvesting season and the remaining 40 MT in the second harvesting (between April and June). The market linkage created with Comel in Tigray and Zembaba/Beza in Amhara will be utilized to achieve this target.

Analysis of the Honey Value Chain

Opportunities

Honey holds one of the biggest potentials for increasing incomes of rural households in Ethiopia. The 53,600 MT estimated to be produced in Ethiopia comes from all agro-ecological zones and households across the country. The divergent floral resources of the country are source to not only such a significant quantity of honey but also unique qualities that can fetch premium prices if offered to niche markets they deserve. All these are comparative advantages that could make considerable difference for the poor households producing them. Increasing preference among consumers for honey-based products leads to a boost in the variety and assortment of honey-based food products, baby products,

yogurts and drinks. Regions that typically produced White honey produced more Light Amber honey in 2012. This helped to fill the Light Amber honey supply gap and to moderate those prices, but it decreased the White honey supply and drove White honey prices higher. This gives Ethiopia an opportunity to market its white honey.

Challenges

The above mentioned opportunities are challenged by traditional production systems, fragmented consolidation, long line of marketing channels, underdeveloped packaging practices that do not consider market needs, among other challenges. The maximum exports from Ethiopia have never exceeded less than 200 tons. Despite the enormous annual production the majority of honey produced is low quality and associated with low prices for the Tej industry. Due to this, smallholder producers have not benefitted. Without a relatively large scale honey processing industry, Ethiopia will never be able to meet the opportunities.

Europe and Asia Pacific (including Japan) dominate the global honey market as stated by the new market research report on honey. The global honey sector is not devoid of any challenges. Honeybee losses represent one of the major challenges encountered by the honey sector worldwide. Honeybees are also susceptible to threats such as environmental stress, pests and diseases. Colony Collapse Disorder (CCD) leads to the death and disappearance of honeybees. Recently, the global honey sector is facing a steep decline in production volumes triggered by declining numbers of bee colonies and increased costs which lead to rising honey prices.

Honey Value Chain Activity Tracker

Activity Description	Performance Indicators/Targets		Partners	Region	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Unit	Total												
IR 1: Improve the Competitiveness of Honey VC														
Sub IR 1.1: Volume and value of marketed value chain production increased as a result of improved end-market competitiveness and trade														
OP 1.1.1: Marketing Systems and Practices Improved														
Ensure EU accreditation renewal for the export of honey to member countries is renewed and organic and Fair Trade certification process started with major honey processors and exporters based on yearly contribution phase out strategy	# certifications	1	EHBPEA , EAB, MOA	TBD										
Training of trainers in BAP relevant to honey VC (like product handling, basic processing, quality measuring, warehouse management, etc.) and cascading the skills to SHF facilitated	# of trainers trained	80	NGOs, MOA, Marketing Agency, FCUs, private sector	All 4 regions										
Facilitate market linkages to support inclusion of CIGs, women and youth group aggregators	# CIG members	600	AGP, CIGs	All 4 Regions	In process									This process has to do with CIGs and groups' legal status to formulate appropriate grant support they require.
OP 1.1.2: Specific and Effective Market Linkages Created														
Build on success of ApiExpo and facilitate sales agreements between buyers in identified export markets, exporters, and cooperatives/FCUs	Volume of sale in MT	200	FCUs, private sector, BOA, export markets	All 4 Regions	In process									Several negotiations are underway planned to conclude into firm transactions during next quarter
Investments in processing and collection centers, linkages to training by research institutes	# partners	9	FCUs and processors	All 4 Regions										
Facilitate direct links from FCUs/cooperatives/farmers to domestic processors and support embedded services by the latter	# contracts	4	FCUs and processors	All 4 Regions		4								

Activity Description	Performance Indicators/Targets		Partners	Region	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Unit	Total												
Training of Trainers in SMFM post-harvest handling module (negotiation, pricing, promotion, creating linkages, relationship management, etc.) delivered and skills cascaded	# trainers trained	40	FCUs and processors	All 4 Regions										
Support key stakeholder participation in international trade show s - like ApiModa, the London Honey Show , etc.	# stakeholders supported	8	Private sector and staff	All 4 Regions										
OP 1.2.1: Cooperatives/FCUs, Private Agribusinesses Assisted to Transform														
Capacity building of key stakeholders through training in leadership and management modules including finance, membership development for FCUs, BBP)	# of VC leaders trained	80	FCUs, private sector honey dealers, exporters, processors	All 4 Regions										
OP 1.2.3: Collaboration Between Stakeholders Facilitated and Established														
Multi-stakeholder meeting facilitated bi-annually in each region to update stakeholders on project progress and ensure B2B connections	# MSPs	8	ATA, AGP, regional government, private stakeholders	One in each of 4 Regions per year										
OP 1.4.1: Reliable Access to Improved Hives Expanded														
Facilitate the sale/distribution of frame and intermediary hives and accessories from four cooperatives/three private input providers to smallholder beekeepers (females, males, and youth) on commercial basis	# co-ops and private input providers participating	7	Private sector stakeholders, FCUs	All 4 Regions										This has to do with grant allocation from the demonstration funds. Several proposals are under review hoped to be finalized during the 2nd quarter.

Activity Description	Performance Indicators/Targets		Partners	Region	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Unit	Total												
Support the establishment of centers to enhance queen rearing and colony multiplication in collaboration with selected institutions	# centers created	4	Private sector stakeholders	All 4 Regions										
OP 1.4.2: Competitive Supply Created														
Provide TA to printing enterprise and packaging material producer to improve packaging and labeling of honey for international exports	# companies promoted	2	Private sector stakeholder, TBD	Addis Ababa										
Testing lab accredited to undertake international level parameter testing	# labs accredited	1	MOA	Addis Ababa										
Capacitate two research centers with investments in lab technologies and training linkages to industry stakeholders	# labs supported	2	Holeta and Andasa	Amhara and Oromia										

Maize Value Chain

Overview

AGP AMDe's vision for the maize value chain is to double farm yields and reduce inefficiencies in downstream handling, processing and marketing in order to reduce per unit costs and increase farm profitability among others. This goal underpins project interventions to mitigate challenges that impede the full unleashing of the opportunities maize production holds as a source of job creation and income generation for the small holder farmers in the country. Assessments of the situation on the ground during Year I of the project demonstrated the fact that improved hybrid maize varieties with good agronomic practices result in substantial increase in the per-hectare yield of the crop by a range of 1.7MT to 4 MT thus more than doubling the existing output. However, it has been evident that supply of improved seed varieties by the formal seed sector is far less than what farmers demand and therefore AGP – AMDe identifies this as an effective entry point for its interventions working with both agricultural research centers and certified seed producers. While the work to enhance this is underway with EIAR and other maize designated ARCs for the long term results, a newly developed improved seed variety, the BH-66 I, released by the Bako Maize Research national center of excellence pending multiplication has been confirmed to increase yield over the existing variety by at least 10%. Since this offers a quick turnaround for AGP-AMDe in a process that usually takes more than three crop cycles to reach commercial seeding level, modalities have been designed by the project during this quarter to scale up its demonstration in 27 intervention woredas.



During the quarter, AGP-AMDe targeted changes in the traditional fragmented consolidation and marketing practices to more formalized and bulk operations not only to enable smallholder producers operate with reliable large scale buyers but also enable them secure sustainable access to markets in such large scale operations. To achieve these targets, AGP-AMDe is providing a full range of interventions including provision of improved seed, training on effective agronomic practices, improved post-harvest handling, facilitating appropriate credit facilities for both input and output funding, and is coordinating with other partners supporting the value chain such as AGP, ATA, FCA, commercial banks and other partners.

Summary of Results

- Bako National Research Center confirms BH-66 I hybrid maize can increase productivity by at least 10% in its appropriate ecologic zones and released it for production. However it has not yet been propagated for use by farmers. AGP-AMDe's strategy is to undertake the introduction of this variety and create demand for it in the nine maize growing AGP woredas possessing the prescribed ecological zones where two sites will be used as demonstration centers of the BH-66 I in comparison to the existing BH-660. AGP-AMDe will cost share the required investment whereby the selected farmers will cover the labor and pesticide cost while the project supplies the improved seed, fertilizers and the cost of agronomic advises. This selection process began during the quarter in cooperation with the concerned regional extension and cooperative agencies and the FCUs.
- AGP AMDe continued its support to the seven FCUs in contract with WFP to supply about 16,000 Metric Tons of white maize contracted earlier for delivery from the production of the current crop. The process included the following interventions among others:
 - FCUs were assisted to present business plans to their respective banks to access input and output finance. All FCUs developed bankable business plans and submitted to their banks for consideration. Support was also provided for negotiating with the banks the terms and conditions of funding.

- The management staff of FCUs was also trained in proper planning and contract execution scheduling which was critical in the full and satisfactory compliance to the WFP contract. Accordingly, all the FCUs were able to develop delivery schedules for their contractual commitments and laid out the necessary logistical plans all the way down to their member PCs.
- Training in modern post-harvest practices and warehouse management systems including proper testing, grading and calibration of harvest qualities was delivered to 158 relevant personnel from FCUs.

Key Activities and Success:

- In addition to training FCU personnel on post-harvest management and quality assurance that fulfill WFP contract requirements, the project supported producers and their member PCs in preparation of warehouses, maintenance of cleaning facilities, signing formal agreements with their member PCs and scheduling deliveries. Accordingly, all FCUs have now planned purchasing schedules and revised delivery programs agreed upon with WFP
- In order for FCUs to secure output financing from banks, development of bankable business plans acceptable to lending banks was a critical achievement and success of the quarter. In addition to the rigorous training provided by the project access to finance team, a continuous consultation was required by the project.
- Pre and peri-harvest preparation of the WFP contracted maize was completed and maize production levels assessed to meet the contractual commitment of the FCUs. Despite expected decrease in total harvest caused by the late arrival and early exit of the rainy season, the assessment made by AGP-AMDe's maize team proved production levels can be expected to meet what was agreed upon.
- During the quarter, agreements were reached with regional AGP offices and FCUs to select 216 lead farmers from 27 maize growing woredas in Amhara, Oromia and SNNPR who will produce and demonstrate BH-661 and the compare it with BH-660 variety. AGP-AMDe will participate and assist with the roll out and monitoring of the new varieties.
- A MSP meeting was held which entrusted the Oromia Agricultural Marketing Agency to take lead lobbying the Proclamation #685/2000 and 686/2000 and proposed trading of maize on the ECX floor to formalize the market structure which lacks equity and disadvantage to SHF.



Maize sales, July 2012-Dec 2012

Maize Sales Point	AVERAGE	
	Whole sale price/qt (Birr)	Retail price/qt (Birr)
Dessie	518	534
D.Markos	556	618
Gondar	586	617
Hosana	610	638
Jima	501	517
Mekelie	570	602
Nekemt	473	482
Shashemene	479	498
Woliso	513	536

Analysis of the Maize Value Chain

Opportunities

The potential of increasing the local demand for maize is immense for both household consumption and industrial value addition. AGP-AMDe's interventions to enhance production and productivity, create proactive relationships between the key actors along the value chains so that they jointly act to mitigate their common challenges, shorten the gap between producers and end markets, reduce transaction costs that deplete the benefits that could otherwise accrue in favor of smallholder producers, traders, processors and other stakeholders along the various nodes of the maize value chain are critical strategies to this end. As the project implements its work plan activities in the next quarters during the life of the project, concrete results will surely lead the way to a more dynamic sector benefiting all its stakeholders equitably. There is large potential to tap into alternative markets such as maize for oil, sweet corn, protein corn, etc. All of these call for more research in appropriate seed development and investment in multiplication of improved seed to attain enough supply of the requisite planting materials.

Challenges

Maize production and marketing in Ethiopia continues to be dominated by a large number of smallholder farmers, traders, wholesalers and aggregators. The majority of it is consumed within the household and the rest is traded immediately after harvest. Weevils and rodents cause the most common post-harvest problems which render its handling expensive and force smallholder farmers to sell quickly. Because of working capital shortages and warehousing capacity limitations, FCU engagements in maize output purchasing is below 10%.

AGP – AMDe strategies are designed to address the challenges and exploit the opportunities in cooperation and coordination with value chain stakeholders. The support designed to enhance supply of planting materials and creation of large scale market linkages which characterized the interventions of the project during the period under review are meant to address critical problems currently challenging the value chain.

Maize Value Chain Activity Tracker

Activity Description	Performance Indicators/Targets		Partners	Region	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Unit	Total												
IR 1: Improve the Competitiveness of MAIZE VC														
Sub IR 1.1: Volume and value of marketed value chain surpluses increased as a result of improved end-market competitiveness and trade														
OP 1.1.1: Marketing Systems and Practices Improved														
Training of Trainers in SMFM business training module delivered (negotiation, pricing, promotion, creating linkages, relationship management, etc.) to be cascaded to SHF	# of trainers trained	160	FCUs, FCA, MOA	Oromia, SNNPR, Amhara										
Facilitate establishment of EAGC Ethiopia chapter	# members	30	FCUs, FCA, MOA	Country wide										
OP 1.1.2: Specific and Effective Market Linkages Created														
Assist FCUs to obtain permanent trading seats in ECX	# FCUs	4	FCUs, ECX	Addis Ababa		In process								
Facilitate forward purchasing contracts and delivery to spec from WFP and other processors with CBE financing	quantity of maize sold	20,000 MT	FCUs, WFP, ATA, TBD	Oromia, SNNPR, Amhara		In process								first contract with WFP for abt. 17000 MT is under preparation with weekly delivery to start end of Feb.
Training of trainers in post-harvest handling module delivered (product handling, basic processing, quality measuring, warehouse management, etc.) to be cascaded to SHF	# trainers trained	120	AGP, ATA, WFP, Sasakawa	Oromia, SNNPR, Amhara		157								Demand for AMDe's training packages coming from partners is beyond expectation and thus performance exceeded plans.
OP 1.1.4: Promote Export Linkages														
Identify potential markets and buyers of maize within East Africa in coordination with EAGC	# regional market linkages	8	AGP, MoT, marketing	Reg. markets										
Sub IR 1.2: Increased volume and value of commodities purchased from smallholders														
OP 1.2.2: Post-Harvest Losses Reduced and Farm Income Opportunities Expanded Through Mechanization														
Commercial and input storage capacity increased through cost-share investments in strategic locations (continuing into year 3)	increase in capacity	est 30,000 MT	AGP, ATA, FCA, FCU, Banks	Oromia, SNNPR, Amhara										
Post-harvest and value addition equipment introduced at FCU, primary and CIG level	# FCUs adopting	7	AGP, FCA, FCUs	Oromia, SNNPR, Amhara										

Activity Description	Performance Indicators/Targets		Partners	Region	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Unit	Total												
OP 1.2.3: Collaboration Between Stakeholders Facilitated and Established														
Multi-stakeholder meeting facilitated twice a year in each region to update stakeholders on project progress and ensure B2B connections	# MSPs	6	ATA, AGP, regional government, private stakeholders	twice in each region per year			1							
OP 1.2.4: Value Addition through Agro-Processing Expanded														
Leverage research centers to introduce new high value maize varieties suitable for agro-processing (sweet corn, corn oil seed, protein maize, etc.)	# varieties	2	AGP, EIAR, FCU, etc	Oromia		In process								Partnership with DuPont (Pioneer) has been going on. Detailed plans are underway to start introduction new varieties in the coming crop season
Sub IR 1.3: Higher smallholder incomes from selected commodities per unit of land														
Adoption of new technologies facilitated (training in coordination with AGP and input activities - please see input GANTT)	hectares under improved technologies	1600	FCUs, CIGs, AGP	Oromia, SNNPR, Amhara		In process								Demonstrations in multinutrient applications have been carried out. Adoption expected during coming crop cycles.
Sub IR 1.4: Yields of targeted crops increased														
OP 1.4.1: Reliable Access to Improved Seed Expanded														
Regional research centers capacitated through provision of irrigation systems, seed lab, to ensure sufficient production of basic seed	# ARCs supported	1	Bako ARC	Oromia										
OP 1.4.2: Improved Distribution of Inputs and Farm Technology														
Partnering with DuPont-Pioneer to disseminate pure planting materials to smallholder farmers	# smallholders with access to hybrid seed	32,000	AGP, ATA, FCA, PCs, CASCAPE, Pioneer	Oromia, SNNPR, Amhara										
Seed producer FCUs/cooperatives capacitated to manage input business units (continuing into year 3)	# FCUs/PCS assisted	5	FCUs, ARCs, ATA, AGP	Oromia, SNNPR, Amhara										

Wheat Value Chain

Overview

AGP-AMDe goals for the wheat value chain remain focused on replacing the large quantity of imports that are required annually to meet the increasing demand for wheat-based products in the country. The strategy primarily aims at stimulating farmer cooperatives, agribusinesses, traders and processors within the value chain to be able to work collaboratively, effectively respond to market signals and become more productive and competitive in order to capture the profit opportunities that can be exploited in the possible shift of the prevailing import to domestic sourcing.

Summary of results

- Trainings were delivered to 304 trainees (68 women) on post-harvest handling (136), and improved business practices (168).



Training in low land wheat at Nekempte – Oromia

- Demonstration of low moisture resistant wheat variety called ‘low land wheat’ was conducted to 2,667 (218 female) smallholder farmers, extension workers and DAs. The initiative to introduce wheat in the low land areas of Ethiopia where this has not generally been practiced so far opens up enormous opportunities to increase production of wheat in the country.



Field day demonstrations conducted on Lowland wheat variety



Multi stakeholders Platform Meetings in Butajira (SNNP) and Alamata (Tigray)

- Three multi-stakeholders partnership forums were held in Oromia, SNNPR and Tigray, in which 109 individuals (5 female) participated. The forums resulted in the creation of market linkages between producers and processors as follows:
 - In Oromia, 7 producing FCUs, namely Sekomendo, Raya Wakena, Galema, Chefe Buluk, Haragu, Liben and Robe Berga, and the Ambo Multi-Purpose FCU signed contracts for 1,800MT of wheat, potentially worth \$650,000, for delivery during the next quarter. The contracts will benefit approximately 2,000 smallholder farmers.
 - The forum in Tigray resulted in a serious negotiation between Lemlem and Romanat companies, two processors with a total input requirement of approximately 340 MT per day, with Ofla and Hashenge FCUs in Tigray and Gozamin, Damot and Ghion FCUs in Amhara for regular supply of wheat, which was noted in the MoUs signed.



Lemlem General Manager and Damot FCU chairman exchange copies of wheat supply MoU in Bahir Dar

Key Activities and Successes

The major activities of this quarter in the wheat VC focused on the following interventions:

- Delivered training to 304 trainees on improved post-harvest handling and management to reduce post-harvest losses which is estimated to be around 20%

- Introduced and demonstrated new technologies, such as multi-nutrient inputs that dramatically increase yield, low moisture resistant wheat varieties in partnership with MORELL Agro-industry Company.
- Conducted multi-stakeholder platform meetings in Oromia, SNNPR and Tigray, which provided opportunities for business to business (B2B) discussions that resulted in negotiation and agreement between the three buying processors and the twelve wheat producing FCUs. As a result, sales contracts and MOUs were signed between the different parties for the sustainable supply of high volume. This is expected to satisfy the demand of the industry and thereby create additional job opportunities as the processors utilize increased capacities of their facilities.

Analysis of the Wheat Value Chain

Challenges

Ethiopia is Africa's second largest producer of wheat after South Africa. The estimates for 2011/12 are 3.17 million MT grown on 1.49 million hectares of land (CSA 2011/12). It is estimated that between 2001 and 2008, total national production volumes increased by almost 50 percent. However, average yields per hectare at about 21 quintals per hectare remain low by international standards. Wheat is produced by about 4.3 million smallholder farmers across the country and remains at a household subsistence level with production shortfalls. Thus Ethiopia complements its domestic demand by importing wheat annually and supplies it to domestic processors at subsidized price. At times, this subsidy creates an imbalance in the market as the imported wheat is offered at lesser price than locally produced wheat serving disincentive to local producers. This shortfall is projected to grow, given the rise in demand for wheat-based products.

Opportunities

The Ethiopian government and other concerned stakeholders in the sector are working together to eventually eliminate the import of wheat in the coming 3-4 years through joint efforts under the country's flagship project, the Agriculture Growth Program. This highlights the incompatibility that exists between the import subsidy strategy and the drive to replace imports by local production, and calls for the need to revisit the relevant policy without delay. However, with the support and interest of the government to replace imports, an enabling environment is developed to improve the wheat sector.

Wheat Value Chain Activity Tracker

Activity Description	Performance Indicators/Targets		Partners	Regions	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Unit	Total												
IR 1: Improve the Competitiveness of Selected VCs														
Sub IR 1.1: Volume and value of marketed value chain surpluses increased as a result of improved end-market competitiveness and trade														
OP 1.1.1: Marketing Systems and Practices Improved														
Training of trainers in SMFM business training module delivered (negotiation, pricing, promotion, creating linkages, relationship management, etc.) to be cascaded to FCU and business operators	# of trainers trained	120	NGOs, MOA, Marketing Agency	All 4 Regions		139								Demand coming for the project's training packages has been considerable. Therefore, performance has exceeded plans.
Facilitate market linkages to support inclusion of CIGs, women and youth groups with FCUs or mills	# CIG members	600	AGP, CIGs	All 4 Regions		In process								To guarantee transparency and sustainability, AMDe works with formally organized institutions. Possible arrangements have been discussed with relevant GoE offices to attach CIGs to PCs for this purpose in the next quarters
OP 1.1.2: Specific and Effective Market Linkages Created														
FCUs assisted to make contractual agreements with millers, traders and consumer associations, and volume of sales increased	# FCUs linked with buyers	8	AGP, FCUs, buyers	All 4 Regions										
OP 1.1.3: Value Addition Including Production of Nutritional Foods to Expand Demand for Wheat Supported														
Support millers diversifying their production through introduction of fortification based on BPs (continuing into year 3)	# processors supported	2	Potentially Dechgada, Meshobia, Goh (TBD)	TBD										
Sub IR 1.2: Increased volume and value of commodities purchased from smallholders														
OP 1.2.1: Post Harvest Losses Reduced and Farm Income Opportunities Expanded Through Mechanization														
Training in post-harvest handling module delivered (product handling, basic processing, quality measuring, warehouse management, etc.) to be cascaded to SHF	# trainers trained	140	FCUs, DAs	All 4 Regions	26	36								

Activity Description	Performance Indicators/Targets		Partners	Regions	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Unit	Total												
SMFM post-harvest handling module delivered (product handling, basic processing, quality measuring, warehouse management, etc.)	# trainers trained	140	FCA, FCUs, DAs	All 4 Regions	Duplication of the above									Activity to be deleted
Commercial and input storage capacity increased through cost-shared investments in strategic locations (continuing into year 3)	increase in capacity	12,000 MT	FCUs, FCA, ATA, AGP	Oromia, SNNPR										
Post-harvest and value addition equipment introduced at FCU, primary and CIG level	# FCUs adopting	9	AGP, FCA, FCUs	All 4 Regions										
Facilitate supply of combine harvesters in key production regions of Oromia (Arsie Bale) - continuing into year 3	# combines supported	7	AGP, FCA, FCUs	Oromia										
OP 1.2.3: Collaboration Between Stakeholders Facilitated and Established														
Multi-stakeholder meeting facilitated twice a year in each region to update stakeholders on project progress and facilitate B2B connections, including banks	# MSPs	8	ATA, AGP, regional government, private stakeholders,	One in each of the 4 Regions per year										
Sub IR 1.3: Higher smallholder incomes from selected commodities per unit of land														
OP: 1.3.1: Volume of Marketed Wheat Increased														
Adoption of new technologies facilitated (training in coordination with AGP and input activities - please see input GANTT)	hectares under improved technologies	2010	FCUs, CIGs, AGP	All 4 Regions	In process									Demonstration of improved technologies conducted during the quarter under review. Actual adoption will take place in the next crop cycles i.e. during small crop and main harvest seasons
Sub IR 1.4: Yields of targeted crops increased														
OP 1.4.1: Reliable Access to Improved Seed Expanded														
Regional research centers capacitated through provision of irrigation systems, seed labs, etc., to ensure sufficient production of basic seed	# ARCs assisted	2	Kulumsa, Debre Zeit, ATA	Oromia										
OP 1.4.2: Improved Distribution of Inputs and Farm Technology														
Seed producer/multiplier FCUs/cooperatives capacitated to manage input business units (continuing into year 3)	# FCUs/PCS assisted	7	FCUs, ARCs, ATA, AGP	All 4 Regions										

Promotion of Input Supply

Overview

The AGP-AMDe project aims to increase adoption of productivity-enhancing agricultural inputs with particular attention to mineral fertilizers and quality seed of superior varieties. The AGP-AMDe goal is to increase the value-cost ratio by i) increasing the technical response to fertilizer use through the testing and introduction of blended fertilizers, and ii) increasing adoption of quality seed of superior varieties that are more responsive to applied nutrients. To accomplish these goals, the transformation of cooperative unions into profit-oriented agribusinesses is pertinent while project interventions along the value-chain will lead to increases in output prices through increased efficiencies and improved product quality. Fertilizer and seed policy changes support the increase in the efficiency of fertilizer input supply chains leading to reductions in fertilizer prices.

Summary of Results

- A total of 90 field demonstrations (wheat 51, maize 15, sesame 16 and chickpea 8) in all four AGP-AMDe regions were harvested during this quarter. 1,100 participants (493 women and 607 men) attended 10 field days organized around selected demonstration sites. Data collection and analysis will be completed in the next quarter.
- The field days culminated in a special field day for women farmers (63 participants) on fertilizer blends applied to wheat in Tigray region. The specific objective was to enhance women's participation, enable them to view the results from demonstration plots and to share experiences on the use of project technologies.

Field days conducted in Amhara region on low land drought resistant wheat variety

Key Activities and Successes

- Improved wheat seed production was demonstrated in partnership with the Ethiopian Seed Enterprise (ESE), Oromia, Amhara, SNNPR, and Tigray Regional Seed Enterprises (RSE), Gonde and Ardayita seed cooperatives in Oromia. In addition, commercial seed companies (Haji Mohamed Agri Farm, Alemayehu Mekonnen Farm and Tensae Zerfu Limat) implemented demonstrations to improve their own seed production and to demonstrate better seed production to contract growers.
- Through the field visit to Ediget FCU Primary Cooperative in SNNPR, a plan was developed with Ediget Seed Producers' Cooperartive Union to produce 2800 MT of certified wheat seed in 2013.
- Meetings were held with ATA and EIAR to plan seed and fertilizer demonstrations in 2013.
- 9 field demonstrations on multi-nutrient fertilizers and improved seed varieties were conducted in November and December in Oromia (6), Tigray (2) and Amhara (1). Training on wheat and chickpea multi-nutrient fertilizer was provided to 3 experts and 7 extension workers from Tigray
- Five field days were conducted in Oromia (3) and SNNPR (2) to demonstrate the benefits of balanced plant nutrients. 861 participants attended the field days. A sesame field day was conducted in both Amhara and Tigray, 166 farmers participated: 67 in Amhara and 99 in Tigray. One field day on maize and chickpea multi-nutrient fertilizer conducted in SNNRP, 93 participants. A field day was conducted in Oromia, Amhara and SNNPR on wheat and maize multi-nutrient fertilizer. 250 participants (Oromia 108, Amhara 66, SNNPR 76). A special field day for women farmers on wheat value chain was conducted in Tigray on December 2, 2012 with 73 participants (62 women). A traveling field day was conducted in Amhara to demonstrate the benefits of soil sampling and use of multi-nutrient fertilizer.



- Data collection for sesame demonstration plot progression in Tigray was finalized in November 2012 and results were presented to stakeholders.
- The JRIS team visited fertilizer demonstration sites in all regions. Additional field visits to fertilizer demonstration sites in Tigray and SNNPR occurred.

Summary of field days undertaken in all the four AGP regions

Value Chain	No. of Field Days	Participants		Total
		Female	Male	
Wheat	7	194	666	860
Maize	1	9	66	75
Sesame	2	27	132	159
Total	10	230	864	1094

Agriculture Limestone

AGP-AMDe collaborated with the MoA, ATA and AGRA on expanding and developing agricultural limestone production in order to address soil acidity, which is prevalent across most of the country. The MoA has identified four publicly operated limestone quarries which can be transferred to ownership by cooperative unions and, possibly, private operators. AGP-AMDe assessed the four sites and submitted a report from the Gouder location. Among the recommended alternatives for lime production include: i) sell or lease them to private operators which develop the quarries into multiproduct operations, with an imperative to expand the limestone production, ii) facilitate a joint venture between FCU's and private operators, enabling the private operators to run the quarry and construction stone business; selling the secondary crushed stone to the FCU's which would own and expand the agricultural limestone milling and marketing business, iii) sell/lease the quarry operations to a private operator, move the agricultural lime milling assets to the FCU site, establish a long term buyer/seller relationship between the FCU and the private quarry operator whereby the quarry operator would deliver the secondary crushed stone to the FCU for milling, bagging, storing, etc.

To reach a final implementation stage with ATA and AGRA, AGP-AMDe is in the process of completing an enterprise budget for a commercially operated limestone quarry; participating with ATA in the development of a concept paper for commercial limestone production, including comprehensive analysis of impediments related to limestone production, distribution, marketing and usage; development of a cost-benefit analysis model for limestone usage at the farm level.

Fertilizer Blending

AGP-AMDe continues to directly participate in the MoA/ATA initiative for the introduction of blended fertilizer, via four FCU's which will undertake blending as a commercial business activity through a pilot initiative. AGP-AMDe is positioned to support this initiative through the innovation grants facility and offered the opportunity for the four unions to apply for financial assistance in the establishment of these operations. The most effective use of these funds would be to support private firm(s) which can operate these facilities for one to two years and train FCU staff in assuming complete management responsibilities upon lapse of the contracts. Alternatively, support of the purchase of the blending and handling equipment is also possible, but it is likely this will be supported through other donors.

Urea Super Granulation

AGP-AMDe has supplied technical information to ATA on the sources of equipment, which can produce urea super granules (USG). USG will be demonstrated by AGP-AMDe in some of the maize demonstration plots in areas which are highest in rainfall and where nitrogen volatilization poses a problem. FCU's that are capable of producing and marketing USG, and are correctly positioned geographically, can apply for financial support to purchase USG equipment through the AGP-AMDe innovation fund.

Analysis of Input Supply

There is an increasing global trend in developing countries away from blanket fertilizer recommendations that only address macronutrient deficiencies (N, P and K) towards the use of customized fertilizer blends tailored to specific crop requirements and addressing identified secondary and micronutrient deficiencies.

AGP-AMDe has analyzed soil capacity beyond the analysis of macronutrients to include the full range of secondary and micronutrients. These analyses have been confirmed through the demonstration of customized fertilizer blends on four value-chain crops. The demonstrations have been designed and implemented in the same way that commercial fertilizer companies around the world demonstrate their products to stimulate farmer demand.

Balanced fertilization increases both the quantity and quality of the harvested produce leading to increased price and nutritional value of harvested produce. Market development work will further differentiate price between underfed harvested produce.

Demonstrated benefits will lead to increased product demand creating enhanced opportunities for agribusiness in input supply, but adoption of new technologies takes times to build in developing countries where farmers are risk averse.

Input Supply Activity Tracker

Activity Description	Performance Indicators/Targets		Partners	Regions	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Units	Total												
IR 1: Improve the Competitiveness of Selected VCs														
Sub IR 1.4: Yields of targeted crops increased														
OP 1.4.1: Reliable Access to Improved Seed Expanded														
Extend support to 5 selected centers of excellence under EIAR to promote higher quality and increased output of breeder seed (5 satellite centers TBD, for the total of 10)	# centers of excellence, satellite centers	10	ATA, EIAR (Debre Zeit, Culumsa, Bako, Jimma, Hummera)	All 4 Regions										
Sustainable seed multiplication supply system for VC crops designed and tested with Ethiopian Seed Enterprise, Regional Seed Enterprises, seed cooperatives and commercial seed companies	# seed multiplying entities	20	ATA, EIAR, RARI, MoA/AGP, RBA, RSE, Seed Coops, Commercial seed companies, ISSD II	Tigray (4), Amhara (8), Oromia (6), SNNPR (2)										Extensive discussions have taken place with all relevant actors which ended up in MoU signature with EIAR. Final consultative meeting planned for late January to agree on ARCs doing the basic seed development and starting work in Q 2.
Yield potential of commercial hybrid maize seed demonstrated in partnership with commercial seed companies using blended fertilizers and fertilizer deep placement	# demo sites	12	MoA/AGP, ATA, RBA, RSE, ESE	Oromia, Amhara, SNNPR										
OP 1.4.2: Effective Input Supply Created														
Complete assessment on agricultural inputs supply system in cooperatives, targeting 15 FCUs	# assessments	1	ATA, AISE, ESE, MOA, regional agric. offices, FCUs, soil labs, research centers	All 4 Regions										
Pilot testing with the private sector of business development model for the expansion of rural sales points for agricultural inputs in selected woredas	# cooperatives	20	MOA, FCUs, farmers and private enterprises, ATA	All 4 Regions										
Study tour to Kenya for selected/qualified FCU and agro-dealer staff to see input marketing by agro dealers	# of participants	40	MOA, FCUs, farmers and private enterprises	N/A										

Activity Description	Performance Indicators/Targets		Partners	Regions	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Units	Total												
Conduct training on input MIS to enhance the efficiency of input distributors including private agro dealers and FCUs	# of trainees	40	AISE, ESE, MOA, regional agric. offices, FCUs, soil labs, research centers	All 4 Regions										
MIS technology introduced and FCUs and private agro dealers integrated into national and regional MIS	# FCUs	8	AISE, ESE, MOA, regional agric. offices, FCUs, soil labs, research centers	All 4 Regions										
OP 1.4.3: Increased Technical Response to Blended Mineral Fertilizer for VC Crops Increased														
Conduct TOT on soil sampling techniques and interpretation of soil analysis results to soil lab technicians	# soil lab technicians	155	AISE, ESE, MOA, ATA, regional agric. offices, FCUs, soil labs, research centers	All 4 Regions										TOT was planned to take place with soil sampling plan which could not take place as harvest for all crops was late. ESTTA is now in place to start with TOT in early Feb
DA, FCU and private agro-dealer staff trained on soil sampling techniques and in interpretation of soil analysis results	# DA, FCU and Pvt AD staff	800	AISE, ESE, MOA, ATA, regional agric. offices, FCUs, soil labs, research centers	All 4 Regions										
Soil sampling of selected demo sites to stimulate demand for blended fertilizers completed	# demo sites	400	AISE, ESE, MOA, ATA, regional agric. offices, FCUs, soil labs, research centers	All 4 Regions										
Technical training provided for soil and seed laboratory staff to ensure seed and fertilizer quality	# soil and seed lab staff	155	RSE, ESE, soil labs, ATA	All 4 Regions										
Fertilizer blends for targeted VC crops finalized for demonstration in 2013 in consultation with ATA and informed by 2012 results	# blends	4	MoA, AGP, ATA, FCU, RAB, AISE	N/A										
Blended fertilizer management recommendations for targeted VC crops demonstrated by FCUs to stimulate demand for blended fertilizers	# recommendations made	8	MoA, ATA, FCU, RAB, AISE	All 4 Regions										
Training on fertilizer management to mitigate runoff through conservation agriculture and other agronomic practices to subject matter specialists and staff of collaborating FCUs	# training participants	100	MoA, RAB, EIAR, RARI, SG 2000	All 4 Regions										

Activity Description	Performance Indicators/Targets		Partners	Regions	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Units	Total												
Reality TV and radio series produced for screening on national/regional TV stations on improved farming targeting AGP-AMDe VC crops	# series	5	MoA, ATA, FCU, Ethiopian TV	All 4 Regions										
Posters and leaflets in three languages developed and distributed at demonstrations through FCUs to stimulate demand for blended fertilizers	# posters and leaflets	10,000	MOA, FCUs, farmers and private enterprises	All 4 Regions										
Conduct farmer field days on demonstration plots to demonstrate the impact, identify program points to exhibit GAPs and experience sharing among stakeholders	# farmer field days	10	AISE,ESE, MOA, regional agri offices, farmers coop unions, Soil labs, Research centers	All 4 Regions										
Technical response for selected VC crops demonstrations determined and mapped to inform formulation of blended fertilizers by	# of demos	100	MoA, RAB, FCU, WAO	All 4 Regions										
National and regional workshops held to communicate demonstration results	# workshops	5	MoA, RAB, FCU, WAO, ATA, ISSD II	All 4 Regions										
IR 4: Stimulate Increased Innovation and Investment														
Sub IR 4.2: Adoption of new and/or innovative services, technologies and practices by value chain actors, including women will be increased														
OP 4.2.1: Fertilizer Blending Implemented														
Feasibility study (cost/benefit analysis) for fertilizer blending facility completed	# studies	1	MOA, FCUs, farmers and private enterprises	At identified blending facilities										
International study tour to India to observe fertilizer blending technologies by commercial companies completed	# participants	9	MOA, FCUs, farmers and private enterprises	Staff from identified blending facilities										
Selection of FCUs or private sector stakeholders for piloting of blending facilities, one in each region	# FCUs	4	ATA, AGP, FCA, FCUs	All 4 Regions										

Activity Description	Performance Indicators/Targets		Partners	Regions	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Units	Total												
Complete marketing and business plan for blending enterprise at each selected stakeholder, plan infrastructure and machinery requirements and determine capital investments	# plans	4	ATA, AGP, FCA, FCUs	All 4 Regions										
Training of staff on fertilizer blending management & marketing	# staff	12	ATA, FCA, AGP, FCUs	All 4 Regions										
Establishment of urea briquetting plant in each AGP region through selected stakeholders to increase nitrogen use efficiency in maize	# plants	4	MoA, RAB, FCU, ATA	3 Regions										
Support purchase of urea briquette machines to be placed at selected stakeholder	# FCUs	4		3 Regions										
Selection of FCUs for establishment of limestone crushing plant in AGP regions	# FCUs	2	MoA, RAB, FCU, ATA	TBD										
Support the purchase and installation of limestone crushing and distribution facilities at selected stakeholder	# FCUs	2	MoA, RAB, FCU, ATA,	TBD										

Post-Harvest Handling

Overview

One of the objectives of AGP-AMDe is to address serious post-harvest handling challenges faced in Ethiopian agricultural production. Post-harvest handling activities are conducted parallel to improving access to finance for improved marketing system, improving the enabling environment and increasing innovation and investment. Improving post-harvest handling is a strategy for food security and limiting hunger by minimizing post-harvest loss and improving quality, which leads for better human and animal health and greater market opportunity.

AGP-AMDe aims to create awareness surrounding the importance of quality management and building the technical capacity of producers and all value chain actors in order to reduce post-harvest loss. Therefore, several post-harvest management ToTs have been delivered to partner organizations, particularly for FCUs in the four AGP-AMDe regions.

Summary of key results

- 294 (52 female) participants trained on nine different trainings conducted in Amhara, Oromia, SNNPR and Tigray on coffee, sesame, maize, wheat and chickpea value chains.
- 21 (8 female) participants trained on the post-harvest handling techniques on sesame value chain from two FCUs in Tigray and Amhara region.
- 21 participants (3 female) participants trained from 4 FCUs in SNNPR on coffee quality improvement and on the techniques of post-harvest reduction in the coffee value chain.
- Post-harvest handling theoretical trainings and practical demonstrations were delivered to 163 participants (33 female) selected from 9 FCUs and their affiliated primary cooperatives from Amhara, SNNPR and Oromia regions on maize value chain competitiveness.
- 62 trainees (11 female) from 10 FCUs and PCs in SNNPR and Oromia region trained on wheat quality management and good warehouse management practices for wheat.
- 38 trainees (1 female) from Becho-Wolliso FCU and from its affiliated cooperatives, including cooperative marketing experts of zone and woreda where the Union is found, received training on post-harvest handling of chickpea for their market improvement.

Key activities and successes

A total of 294 trainees (52 females), including cooperative managers, board members, grain purchasers and store keepers from 26 FCUs and their affiliated primary cooperatives including zonal cooperative marketing experts and woreda DAs, received intensive post-harvest handling training on 5 value chains. The maize value chain covered 55.5% of participant training in order to support and strengthen selected FCUs linked for the market to WFP P4P maize purchase program in order to fulfill their contractual agreement and meet the quality specifications requested. The second largest number of training participants in this quarter, 34%, attended wheat value chain trainings.

Analysis of Post-Harvest Handling

All the intensive trainings delivered have an indicator of an improvement on grain quality as observed on high quality maize (94% and above) purchased to date by the FCUs. This indicator shows that the trainings delivered, and those that will be delivered or cascaded in the coming quarters, could bring a significant result/output when supported by introducing value addition post-harvest technology equipments (like threshers/shellers, cleaning machines and grading equipments).

Business Development Services

Overview

SMFM is a highly interactive training program whereby farmers create specific strategies to increase the quantity of their marketing output (“sell more”) and meet high quality standards to earn higher prices (“for more”). The SMFM package constitutes six training modules: Leadership, Marketing, Business Management, Record Keeping, Post-Harvest Management and Input Application.

Sell More For More (SMFM) is delivered through a cascade training approach such that trainers (ToTs) will be trained first, and they, in turn, train a wider base of farmers. SMFM is a participatory and result-oriented training approach. It abides by the 10:20 rule: it maintains a balance of twenty minutes of productive, interactive group activity for every ten minutes of lecturing or information delivery. It also leads to deliverables at the completion of each training module. For instance, after completing a module on business plan development, participants will draft a business plan of their own assisted by the trainer. After learning about membership development, participants design a membership recruitment and retention strategy.

Summary of key results

In the last quarter, SMFM training was delivered to 612 participants, of which 152 (24.8%) were women. The training helped cooperatives improve their capacity to establish and fulfill buyer contracts through an increase in quality and quantity of products. This result is particularly witnessed in the maize value chain whereby seven client FCUs are on track to supply 16,000 MT maize to World Food Program as per their contract agreement. SMFM has significantly improved cooperatives ability to develop business plans and secure loans from banks. Moreover, SMFM helped cooperatives enhance their leadership capability and financial management by promoting active participation of members.

Component 2 - Improving Access to Agricultural Finance and Investment

Overview

Building on the year one project activities and analysis, the Component II has adjusted its strategies for addressing gaps in access to agricultural finance in Ethiopia. The AGP-AMDe strategy includes: building the financial management capacity of the potential beneficiaries; providing a direct assistance to beneficiaries in securing project and working capital finance; conducting workshops with agricultural finance stakeholders to discuss the challenges and exchange solutions; working with financial intermediaries to introduce new financial products adapted to the changing understanding of agriculture value chain financing; and attracting new forms of equity investment into the agricultural sector.

During this quarter, the access to finance team focused on providing direct assistance to FCUs in obtaining working capital loan for the WFP P4P program, helping several FCUs develop bankable business plans and completing bank loan applications for submission. In a complimentary activity, significant progress has been made in addressing the perceived and real financial risks associated with agricultural financing in the minds of financial institutions and other financial intermediaries. A workshop was held on October 4th, 2012 in Addis Ababa with good results. In order to expand the introduction of agricultural equipment financing, a field demand assessment was conducted in Amhara and Oromia Regions covering five FCUs. The objective was to inventory gaps in skills to manage rental and leasing services. As the result of the assessment, a new approach was developed under which leasing companies will directly train service operators in providing leasing services at a reasonable and affordable price to all farmers.

To date, AGP-AMDe is tracking 189,985,628 Birr (\$10,438,771) in an investment financing pipeline, representing 23 investment deals. AGP-AMDe has a streamlined process for vetting candidates for agricultural financing, and combines finance with the Innovation Fund grant mechanism in order to strengthen the capacity and productivity of FCUs and PCs.

Summary of Results

AGP-AMDe assisted 10 FCUs with their preparation and submission of loan applications for working capital financing from Commercial Bank of Ethiopia and Cooperative Bank of Oromia. Included were: 7 FCUs in Maize totaling \$5.7m; 2 FCUs in Chickpea for \$1.7m; 2 FCUs in Coffee for \$2.2m; 1 FCU in Tigray Sesame for \$25m. Warehouse construction financing loan applications were submitted for four FCUs totaling \$1.1m. Of the total \$35.5m financing applied for, \$13.5m (38%) has been approved to date of which \$5.5m has been disbursed.

FCUs	Value Chain	Region	Financial Institution	Type of Loan	Loan Requested	Loan Approved	Loan Disbursed
SIDAMA ELTO	Maize	SNNP	CBE	Working Capital	600,000	401,667	401,667
ADMAS	Maize	SNNP	CBE	Working Capital	527,778	300,000	300,000
Licha hadi	Maize	SNNP	CBE	Working Capital	485,957	227,778	
GOZAMIN	Maize	AMHARA	CBE	Working Capital	1,241,855	300,000	
DAMOT	Maize	AMHARA	CBE	Working Capital	1,338,722	-	
MERKEB	Maize	AMHARA	CBE	Working Capital	688,817	555,556	

FCUs	Value Chain	Region	Financial Institution	Type of Loan	Loan Requested	Loan Approved	Loan Disbursed
GIBE DEDESA	Maize	OROMIA	CBE	Working Capital	777,778	285,556	285,556
LIMUENARIA	Coffee	OROMIA	CBO	Working Capital	2,222,222	555,556	555,556
BECHO WOLISO	Chickpea	OROMIA	CBO	Working Capital	1,666,667	500,000	500,000
LUME ADAMA	Chickpea	OROMIA	CBO	Working Capital		388,889	388,889
TIGRAY MARKETING FEDERATION	Sesame	TIGRAY	CBE	Working Capital	25,000,000	8,944,444	3,111,111
DANSHA AWRORA	Sesame	TIGRAY	CBE	Warehouse	262,409	262,409	
SETIT HUMERA	Sesame	TIGRAY	CBE	Warehouse	262,409	262,409	
SELAM	Sesame	TIGRAY	CBE	Warehouse	262,409	262,409	
METEMA	Sesame	TIGRAY	CBE	Warehouse	262,409	262,409	
Total					35,599,432	13,509,080	5,542,778
						38%	16%

Key Activities

- An Agricultural Finance Workshop facilitated by AGP-AMDe explored ways to expand access to finance with key senior stakeholders by showcasing best practices and lessons learned about the challenges of agricultural financing in Ethiopia. Discussion outcomes produced specific steps to bridge gaps between financial institutions and coops/agricultural sectors.
- In collaboration with Serengeti Capital and the USAID, a field assessment of demand for agricultural equipment was conducted in Amhara and Oromia Regions covering five FCUs. The objective of the assessment was to introduce the concept of leasing as a business and address any skills gaps in the management of rental or leasing services. Following the assessment an agreement was reached under which FCUs and USAID DCA financial intermediaries will work together. Under this new approach, the financial intermediaries (leasing companies) will train service operators (FCUs) to provide services at a reasonable and affordable price to all farmers.
- The Access to Finance team prepared commodity based cash flow analysis for seven FCUs. The objectives are to: improve FCUs' efficiency and effectiveness by reducing running costs; increase business turnover; expand access to alternative sources of financing; and identify the cost-effectiveness of planned expenses for better management decision making. The tailor made cash flows models use actual costs and crop performance data for each type of commodity and region. The output results clearly demonstrated the expected improvement in crop production, costs and market return to the farmers. This objective data permits for the first time objective decision making by the FCUs on utilization of inputs at the farm level, SHF incentives for increased utilization of improved farming techniques, increased return from mechanized tillage, planting and harvesting.
- Seven FCUs working with the WFP P4P forward maize purchase program submitted business plans totaling \$5.7m. These loan applications are an important first step in AMDe's program to introduce a critical new loan product supported by innovation grants. By leveraging the forward

purchase contracts, loans and grants, AMDe is helping to upgrade the FCU's performance capacity to the level required to meet the terms of the WFP contacts. The key outcome for AMDe is a new tripartite arrangement for managing the maize purchasing campaign joining the WFP as the end market buyer, the CBE as lender and the FCU as the maize aggregator and supplier.

Important lessons learned from the WFP P4P initiative:

- There has to be a clear designation of roles and responsibilities under the tripartite agreement and a key promoter to lead the process and avoid unnecessary delays in getting approvals and completing disbursement of the loans.
- Communications between various branches of the CBE to share information and resolve differences in their understanding of the innovative loan structure was lacking. As a result some branches approved the WFP maize forward purchase loans long before other branches. AMDe will take steps to ensure communications and joint problem solving is improved among the various decision makers in CBE.
- One of the FCU's membership authorized borrowing ceiling was much lower than the amount of their loan request. AMDe will expand its due diligence check list prior to applications be released to the banks to ensuring all FCUs compliance requirements are in order.
- One FCU had a legal issue with the revenue authority that prevented the bank approving the loan.
- Assisted four FCUs (Sekomondo, Raya Wakena, Galema and Chilimo) Forest Conservation Development and Utilization Cooperative Society in the preparation of business plans.

Analysis of the Access to Agricultural Finance and Investment

The following descriptions provide an analysis of the access to finance environment within Ethiopia:

- The institutional capacity of many FCUs needs to be strengthened to meet lenders' business management requirements. In part this stems from FCUs being setup as non-profit organizations and their cooperative governance structure which requires the approval of the entire general membership for most borrowing and major business decisions, which is a slow and uncertain process.
- Without stronger financial management capacity, most FCUs are not able to invest in mechanized services or hire the workers necessary.
- Banks do not have clear knowledge about farmer cooperatives and the farming system in general. As a result they require excessive collateral, sometimes exceeding 1.8 times the amount of the loan. In addition private commercial banks have liquidity limitations on the amount of loanable funds they can use to meet the demand in the agricultural sector.
- Decisions on the type and quality of fertilizer to buy and the requirements at the FCU level should be better coordinated. Some felt the FCUs should be the organizations to request the type and amount of fertilizers required by their farmers. Currently, government extension workers aggregate the requirements, often by increasing the prior year's consumption to maintain growth in fertilizer distributed. The Regional Governments are then responsible for arranging the fertilizer purchases with the Ministry of Agriculture. The FCUs are required to distribute the amount of fertilizer they are allocated, but are frequently left with excess supplies beyond what their farmer members are willing to purchase through their primaries.
- In addition to leveraging AMDe innovation funds with loans from commercial banks AGP-AMDe is working on innovative alternatives that would introduce angel investment capital into the range of financing products available in the market. Renew Strategies and Precise Consult are international angel investment firms operating in Ethiopia and targeting the commercial agricultural sector SMEs. Their creative methodology for linking international social investors with commercial developing markets agro-entrepreneurs shows great promise for addressing the access to capital gaps. During

the quarter, we expect to conclude one or two partnership agreement that will significantly leverage new entrepreneurial investment in agribusiness.

Access to Agricultural Finance and Investment Activity Tracker

Activity Description	Performance Indicators/Targets		Partners	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Unit	Total											
IR 2: Increased Access to Finance for Participants all along the Value Chain to Enable Increased Investment, Improved Productivity and Expanded Trade													
Sub IR 2.1: Perceived risks of lending will be understood and mitigated													
OP 2.1.1: Value and Number of Agricultural and Rural Loans Extended to FCUs and MSMEs Receiving USG Assistance to Access Bank Loans													
Conduct training for partner banks on ag. value chain financing (risk assessment, leasing, forward contracting), including target branch credit managers	# trainees	40	Banks, ATA										
Conduct training for partner MFIs, RuSACCOs and SACCO unions on mobilizing savings, cash flow analysis, risk analysis and risk management of agricultural lending process	# trainees	200	MFIs, SACCOs, ATA, FCA										
Produce SWOT report on industry constraints and opportunities based on trainings for banks, MFIs, SACCOs and disseminate industry wide	# reports	1	N/A										
Deliver SMFM finance component, to FCUs and producer associations to strengthen their understanding of financial management, industry and ability to produce bankable BPs (delivery depending on the seasonality of crop)	# trainees (VCs combined)	860	FCUs, FCA, AGP, SACCOs										
Awareness raising workshop on crop insurance to reduce agriculture risks and uncertainty resulting in facilitating crop insurance business opportunities with FCUs	# participants	100	FCUs, lending institutions										
Sub IR 2.2: Financial institutions will have expanded their lending to selected value chains													
OP 2.2.1: Amount of Loans to VC Actors as a Result of AGP Facilitation													
Assist cooperatives, FCUs and exporters in development of business plans and facilitate linkage to financial service providers to access short and mid term finance and investment.	# BPs	30	Banks, MFIs, FCU										

Activity Description	Performance Indicators/Targets		Partners	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remarks
	Unit	Total											
Assist cooperatives, FCUs and exporters in negotiating loan terms with financial service providers to access short and mid term finance.	# loans facilitated	20	Banks, MFIs, FCU		12								
Assist cooperatives, FCUs and exporters in increasing investments with investment funds.	# investments facilitated	4	Investment Funds		In process								Grant fund has been allocated to 4 FCUs for warehouse construction. Additional proposals from several others for both innovation and demonstration grants have been received and are under review .
Sub IR 2.3: Financial institutions will offer value chain actors an array of new products tailored to their cash-flow realities and needs													
OP 2.3.1: Number of New Financial Products and Services Developed and Introduced as a Result of AGP-AMDe Intervention													
Assist CBO (Cooperative Bank of Oromia) to expand branch outreach in AGP woredas to work with different SACCOs unions in the selected areas	# branches expanded	5	CBO, SACCO										
Assist selected MFIs to expand their outreach	# outreaches	3	MFI										
Facilitate pilot warehouse receipt systems for selected FCUs, and leverage ECX platform where possible	# FCUs	2	FCUs, Banks										
Pilot crop insurance schemes with selected FCUs	# FCUs	2	FCUs, insurance companies, banks										

Component 3 - Improving the Enabling Environment

Overview

One of AGP-AMDe's goals is to increase the rate of private sector participation, trade and investment in the selected value chains. AGP-AMDe's approach for improving the enabling environment is to focus on a small number of changes that will have an immediate and significant impact in support of the Growth and Transformation Plan (GTP) targets for agricultural growth. In this quarter, emphasis was placed on drafting a paper on International Experiences in Successful Agricultural Finance, and Improving Gender Inequalities in Agricultural Finance to be presented at the Forum on Agricultural Finance Enabling Environment Issues in Ethiopia to be held on January 15-16, 2013, finalizing the Business Enabling Environment Assessment Report, analysis of the garden coffee enabling environment, and interacting with other components of AGP-AMDe in order to build the basis for benefiting from the enabling environment changes in terms of critical project targets. Overall, summary and status of seven enabling environment focuses continued with close conversations with ATA and other stakeholders on forward policy movements.

In this regard, extensive discussions were carried out with a wide range of stakeholders, with the underlying principle of responding to government and stakeholder needs on finance, fertilizer distribution, coffee, gender and other areas that effectively support the AGP-AMDe targets and are aligned with AGP and the Government's GTP targets. The following issues are being discussed widely and a consensus view is being formed.

- Fertilizer distribution (supply) is still constrained by gaps in cooperatives ability to deliver fertilizer conveniently to farmers and lack of private sector competition. AMDe is working to document the former in order to usefully advise efforts to increase cooperatives capability and to admit private traders to fertilizer distribution. Action on both fronts is a necessary condition of meeting overriding Government targets for agriculture.
- Responding to requests for assistance in agricultural finance AGP-AMDe is to provide advice, and assistance and particularly the finance Team which has major efforts already underway, within AMDe to ensure that the institutional system chosen is able to efficiently and sustainably provide large scale finance to the small commercial farmers.
- The exploratory phase in Gender in Garden Coffee culminated in a report on the focus groups held and action plan was developed.

Summary of Ongoing Analysis

The following enabling environment issues are in an analysis stage during this quarter:

License for private sector to distribute fertilizer

The effort of private traders to obtain license at Regional and Woreda level of the change in federal policy is slow. The emphasis is first on Oromia Region because of its importance and its easy accessibility. However, a large amount of effort has been used to set up meetings that have been promised by regional officials but which keep getting postponed. This is of course further illustration that big changes with large macro impact are complex, difficult to achieve and require considerable patience. The size of the large impact of course makes it worthwhile.

Improve access to and availability of agricultural finance products in rural areas

AGP-AMDe authored a paper titled "Agricultural Finance Principles –Research Based International Experiences." The paper makes a case that for the Government's GTP targets for agriculture to be achieved there should be a national agricultural finance system that reached the bulk of small commercial farmers. Small commercial farms are here defined as the 40 percent of rural households with 0.9 to 5 hectares of land, producing over 70 percent of agricultural output. The average size of holding of Cooperative members is slightly less than two hectares, placing them in this category. Marginal farms are similar in number but comprise only ten percent of agricultural output. The report will be presented in Forum on Agricultural Ethiopia Finance Enabling Environment Issues in Ethiopia. The Forum is organized by

AGP-AMDe and will be held on 15 – 16 January 2013. The Forum would be an opportunity to further advance this issue in terms of understanding the importance and building capacity of stakeholders.

Key activities and successes

1. Fertilizer:
 - a. Actively pursued trying to change the rules on licenses for fertilizer distribution at the Regional level.
2. Agricultural Finance
 - a. Drafted a paper on International Experiences in Successful Agricultural Finance, based on the 12 principles stated in the September 2012 meetings, with a section indicating the specifics of efforts in three countries, Bangladesh, India, and the United States.
 - b. Completed a draft of a paper emphasizing the critical nature of gender issues as agricultural financial systems are developed and the paper and agreed to present it as it is a key element of getting gender issues appropriately treated in this area that is particularly vital to women's participation in a dynamic agricultural economy.
 - c. Worked with ATA and the Agricultural Input Supply Directorate of the Ministry of Agriculture on formulating a program for a forum on the enabling environment for agricultural finance that will focus on a national system of specialized agricultural finance to reach the bulk of the small commercial farmer's in a short period of time.
3. Efficient and competitive transport and logistics to increase export profitability
 - a. A detailed Warehouse Assessment and GIS mapping exercise were completed in this quarter resulting in the submission of a final report. This report collated assessment data, included strategic recommendations, and warehouse geographic mapping.
 - b. Findings show a lack of capacity within the warehouses is partly due to lack of stacking / racking equipment, and palletization. This means that use of the total floor space is very often not maximized. All handling is manual; very limited mechanical handling equipment has been in evidence. Handling practices are inefficient and dangerous. AGP-AMDe suspects a high proportion of cargo is lost due to poor handling and stacking. Instances of poor warehouse design is also evident. For example, loading bays at the wrong height for vehicle beds. Also, stacking processes currently used do not facilitate air circulation around cargoes.
 - c. In this quarter, preliminary work on a Transport and Customs Connectivity Assessment has commenced and detailed assessments will be undertaken in the next quarter. Key issues in transport and customs connectivity have been identified in the preliminary assessment.
4. Reactivate Ministry of Trade mandate to regulate third-party operated/managed warehouse and grading:
 - a. In this quarter, the scope of work for Development of Policy Proposal to Reactivate Ministry of Trade's Mandate to Regulate Warehouse and Grading including Developing Roadmap for Implementation was developed, short term technical experts for assessment work were identified and contracted, and will commence work in next quarter.
5. Coffee Enabling Environment:
 - a. In-depth assessment and intervention plan on how to deal with the inability to make and carry out major decisions with respect to the coffee sector, particularly including the quality issues.
 - b. Garden Coffee
 - i. Conducted focus group work to ascertain why the various efforts for increasing competitiveness in the coffee sector were having only modest aggregate impact. The

focus group work emphasized farmers, particularly women farmers stated an ability to produce high quality coffee but a lack of ability to obtain a premium and their clear position that they were not interested in measures to expand production until the quality premium was achieved.

- ii. Focus on aggregate impact of gender related issues, with concentration in three areas:
 1. Pursuit of a pilot on small organizations to improve quality, an overriding demand from women in the focus groups, and
 2. Insisting on major attention to women's inclusion in a major national system of agricultural finance.
 3. How women may gain access to new technology information promulgated by the extension agents.

6. Capacity Building

- Potential for interacting with key Universities to further build capacity to think about big issues in growth with emphasis on the AGP-AMDe value chains is explored.

Analysis of the Enabling Environment

AGP-AMDe expands the scope for implementation by diagnosing priority constraints to meeting AGP objectives; responding to the Government's requests for international best practices; mounting major consensus building conferences that also build capacity to think analytically about major issues; and, conducting grass roots surveys of impact of the enabling environment on reaching macro targets.

On fertilizer, return of private traders to distribution is essential to meeting Government's overarching targets and to diagnosing the specifics of the shortcomings of the cooperatives in fertilizer distribution. AGP-AMDe also diagnosed problems of farm level profitability of fertilizer. There is no Federal Government law that prohibits entry of private sector into fertilizer distribution. At the regional level we have acquiescence of the Oromia Trade Bureau to entry of private traders. AGP-AMDe expects shortly a small number of traders will distribute fertilizer for this season, with the objective of opening the rest of the country for the 2014 major planting season.

On agriculture finance, we documented the importance of lack of finance to the small commercial farmer in meeting Government targets. AGP-AMDe has assisted the Ministry of Agriculture by preparing a paper on research based international experience, and by mounting in cooperation with ATA and Ministry of Agriculture a consensus building conference on agricultural finance. In the context of international best practices we have drawn particular attention to the immense problems in ensuring prompt repayment of loans and the role of a competitive system in solving that and other problems.

On coffee, AGP-AMDe has documented that farmers (dominated by women performing the quality determining harvesting) are clear that they see no point in investing further in coffee as long as they cannot get a premium for the quality coffee they know how to produce. We note the presence of at least four well organized major interest groups that do not include producers and the lack of a national structure to ensure implementation of critical policies for the sector (on which everyone has agreed for many years) or to provide the finances essential to competing on global markets. AGP-AMDe has proposed a visit to Anacafe, Guatemala, as a starting point for creating an institutional structure suitable to Ethiopia.

On gender, from review of international data and relationships and intensive interactions with farmers we have emphasized three major changes for bringing women into the key decision making roles as well as returning to influence in family decisions about modernizing agriculture. First, the approach pioneered by Pioneer Seed for including women in technology demonstrations needs to be the standard. Women do not have access to modern technical knowledge essential to influence in modern agriculture. Second, at such

time as an overview body is created for coffee, a minimum number of women justified entirely on economic growth grounds, need governing body representation as producers and marketers. Third, advantage needs to be taken of the universal view in financial institutions in Ethiopia (corroborated in other countries as well) that women are far more reliable for repayment of loans than men – for which we recommend that the cooperatives institute a new financial institutional structure at the Kebele level with a required minimum of one-quarter of the organizing committees to be comprised of women. Third, we are pursuing with CQI/AGP-AMDe building on the dominance of women in the quality determining harvesting procedures for women to play a more forceful role in the marketing and money collecting end of the value chain. Thus, we diagnosed two extraordinary potentials, based entirely on economic growth criteria, for minimum quotas that will move large numbers of women into decision making roles.

Business Enabling Environment Activity Tracker

Activity Description	Unit	Total	Potential Partners	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remark
Component Three: IMPROVE THE ENABLING ENVIRONMENT OF SELECTED VCs													
Sub IR 3.1: Value chain-specific enabling environment constraints identified													
Output 3.1.1: Prioritize policy constraints for value chains													
Assessment to identify key business environment constraints to the selected value chains (assessment completed in Y1, policy recommendations to be developed)	Policy recommendations-follow up	6	ATA/MoT/MoA/Chambers of Commerce and Sectoral Associations/processors and exporters associations										Policy recommendations under development
Output 3.1.3: Coffee enabling environment and income improved through bottom up approach of women smallholders entering larger markets													
Garden Coffee Assessments - Jimma Area-SNNPR – identify strategy for policy change that encourages organizing large numbers of small coffee producer interest groups (dominated by women) to introduce 10,000,0000 new seedlings so over the life of project and produce semi washed coffee of the highest quality including innovating the connection with progressive coops and moving to the international markets (building on assistance to Jimma Research Center provided by the project)	Strategy developed	1	Jimma Agricultural Research Center/COOPs		1								Gender in Garden Coffee Report produced and Action Plan developed
Coffee Strategy: Desk Study and Study Tour to Guatemala's Anacafe Institutional and Marketing Benchmarking	Exploratory desk study report, mission report on institutional lessons, and marketing benchmarking report	3	ATA, MoA, MoT										
Sub IR 3.2: Improved engagement between Government and the private sector will result in policy actions													
Output 3.2.1 : Fertilizer distribution increased through private sector actors													
Fertilizer follow-up on policy and licensing to open competitive distribution to traders	Fertilizer distribution through traders	1	MoA/ATA										Plot for licensing for private sector to distribute fertilizer in some woredas in Oromia Region is being designed

Activity Description	Unit	Total	Potential Partners	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Remark
Output 3.2.2: Increased production and distribution of seed by the private sector													
Support implementation of the expected amended Seed Proclamation and quality regulatory mechanisms	Policy proposal on the seed certification system	1	ATA/MoA/EIAR/Seed Growers and Processors Association/CIAF										
Output 3.2.3.: Increased private sector participation in warehouse and storage													
Develop policy proposal on the need for privately owned/managed warehouse and grading system: Reactivate the implementation of Warehouse Receipt Proclamation	Policy proposal to reactivate the implementation of the Warehouse Receipt Proclamation including implementation roadmap	1	ATA/MoT/MoA/ECX/Ethiopian Commodity Exchange Authority										
Output 3.2.4: Increased agricultural finance availability													
Hold a forum to discuss the agricultural finance enabling environment issues in Ethiopia and produce a policy proposal on increased availability of agricultural finance and specialized agricultural financial products, such as crop insurance	Agricultural Finance policy proposal distributed	1	ATA/MoT/MoA/National Bank of Ethiopia/MFIs/Commercial banks										
Sub IR 3.3: Improved access to market through more competitive transport and logistics													
Output 3.3.1 : Reform Transport Policy or Procedures to increase competitiveness													
Hold Policy and Regulatory Roundtable on findings and recommendations of transport and logistics assessments	Recommendations for more competitive transport and logistics	4	MoA/MoT/ATA/Customs /FCA Revenue and Customs Authority, Chamber of Commerce and Sectoral Associations, , MoA, MoT, ECX, IFC/World Bank										

Component 4 - Stimulating Increased Innovation and Investment

Overview

The Innovation Fund is leveraged by the project not only to promote and inspire investments in agriculture, but also to create the necessary access to finance and build strong relationships between agriculture and finance sectors. The fund made critical and important strides during the quarter towards fully rolling out important investments under the project. Namely, 7 strategic business plans under maize activity with WFP were finalized, a proposal for the critical support for EIAR centers of excellence has been finalized with EIAR and ATA, negotiation with ECX about supporting cooperative forum for promoting trading services and rising awareness was completed, the Annual Program Statement (APS) process progressed as planned and was finished on December 29 (with project extending the APS period through February to attract more applicants) and consistent follow up was performed on the already awarded grants (specifically focusing on the construction of four sesame warehouses in the north and 3 chickpea grants).

Summary of Results

AGP-AMDe has issued 7 grants to date, with total investment commitment of \$1.8 million and cost share approximately valued at 1.2 million USD (in addition to investments allowing easier access to working capital/financing). With current pipelines projections from unsolicited proposals, which are estimated at approximate value of \$5 million, and submitted APS concept notes, the project is working with a very healthy and innovative portfolio of potential projects to roll out during year 2.

Grant Pipeline Status

Value Chain/Region	Number of Grants/Concept notes	Total Amount (\$)	Cost Share
Awarded			
Sesame	10	1,500,000	700,000
Honey	3	155,000	155,000
Chickpea	3	143,000	384,000
In Pipeline (Estimated)			
Sesame	1	250,000	690,000
Honey	3	520,000	692,000
Wheat	5	1,474,000	1,474,000
Maize	7	1,750,000	1,750,000
Coffee	3	490,000	490,000
Other (EIAR)	1	550,000	TBD
APS			
Oromia	61	8,965,500	TBD
SNNPR	15	2,238,500	TBD
Amhara	27	3,850,500	TBD
Tigray	33	4,888,889	TBD
Addis	37	4,388,889	TBD

Key Activities and Successes

The release and receipt of APS concept papers was the main achievement during this quarter. The public announcement for proposals quickly attracted strong response with approximately 170 applicants submitting concept notes to be evaluated by the project, with activities valued at more than \$20 million. Those concept notes that showed promise and potential for innovation and substantial impact have been given a priority and have already been processed and taken to the

proposal stage. Namely, concept notes by RENEW, an equity investment agency, and several concept notes focused on coffee seedling production have been expedited. RENEW concept is certainly something very innovative in Ethiopia's agricultural sector and shows promise for attracting substantial private sector investments. Coffee seedling operation on the other hand, as outlined in the work plan, is critical for replenishing orchards and improving trees output performance. The project will work diligently during upcoming quarter to evaluate the rest of the concept notes, graduate those that meet project requirements and move them into proposal development process that will essentially lead to grant development. Simultaneously, AGE-AMDe continued to work on the current pipelines of proposals originated from national level initiatives with strategic partners such as ATA and MOA.

7 FCUs currently working on the WFP activity with AGP-AMDe have, with project technical support, developed business plans to access working capital from banks and support capital investments valued at 1.75 million USD (from both equity and debt financing). These investments will be directly contributed to the long term commitment of WFP to continue to source from FCUs and gradually increase purchase maize output in following years. A newly negotiated MOU with DuPont Pioneer will also have a substantial overlap with WFP activity and will present an input-driven complimentary activity to WFP's output-driven initiative. The project will continue activities in the following quarter to start up DuPont Pioneer activities on the ground.

A complex and demanding initiative to support EIAR centers of excellence was also brought to conclusion with completion of proposals for 5 research centers (Jimma, Debrezeit, Bako, Kulumsa, Humera). The project has also received additional interest from other research centers through the APS process and those will be evaluated separately. The support for the research centers is one of the most critical interventions of the project, focused specifically on improving seed distribution systems. The project investments, as per the finding of the value chain assessments, target improved quality and quantity of breeder seed output from research centers by building research/testing lab and irrigation capacity for off-season production. This will ultimately lead to provision of a certain quantity of breeder seed for AGP-AMDe activities targeting seed enterprises and seed producing coops, but will mostly have a long-term impact on the agriculture sector in general as more and better breeder seed varieties become available in the market.

The team also worked intensively with ECX to organize and support a coop forum that would see a number of FCUs educated about opportunities ECX can provide and compete in the next round of permanent trading seat tendering that will target only cooperative sector. Additionally, an MOU was negotiated with ECX (to be signed in the following quarter) on improving performance of the trading platform, specifically in areas of tractability (GEO system for coffee, and potentially sesame in later stages), certification of ECX cupping lab and Q graders, increased efficiency of ECX warehouses, conducting a study on independent logistical agency to improve efficiency of supply systems, etc. The relationship with ECX is of critical importance as the trading platform continues to expand its operation with possible inclusion of maize as the mandatory crop in following years.

Analysis of Increased Innovation and Investment

Considering a large presence of donor-funded organizations in Ethiopia, it is common that some partners on the ground are working with several implementers. Different strategies applied by these implementers often present an obstacle to grant roll-out and implementation. For example, aggressive cost share elements continue to present challenges as many of the potential partners and grantees are not used to or resistant to these principals, mainly due to previous development experiences with donor-funded projects offering full funded grants.

The project continues to insist on feasibility, profitability and sustainability of all activities, and has thus promoted business plans as a format to apply for and access innovation fund. However, it is apparent that many of the potential partners on the ground are not used to preparing business plans and their applications often resemble traditional grant requests. This has caused delays in processing

of some of the proposals as AGP-AMDe is working actively with partners to increase their technical capacity and produce documents that would be acceptable for further processing.

Additional challenges include the interpretation of grant documents by partners and involvement of various partners in coordinating activities on the ground, and AGP-AMDe has already taken steps to better inform/educate partners on contractual requirements towards the project, simplify the language/requirements and improve clarity of communication with various implementing partners.

Despite the obstacles, the innovation fund continues to play a central role in project operations and is the main tool for creating effective public private partnerships and attracting investment from both public and private sectors. The innovation fund team worked actively on structuring initiatives with DuPont Pioneer, where the Innovation Fund will play a critical role for expansion of seed distribution systems. Similarly, Innovation Fund investments will be used to leverage ECX ventures into improving traceability and logistical operations of their platform.

Cross-Cutting Issues

Gender

Overview

Gender is a principle in AGP-AMDE that cuts across all components, value chains and activities. During this quarter, AGP-AMDe facilitated cross-regional learning visits and gender awareness training for honey stakeholders; identified gender as one aspect of the Behavioral Change Communication training, assisted incorporating gender into the barrier analysis and communication strategy development; held female field days for increased access to information and knowledge on improved technology and facilitated a female CIG member in Tigray to engage in wheat grain trade and access to finance by a RUSCCO.

Summary of Results

- Among the total of 158 jobs attributed to FtF during the quarter, 74 were for women. These were 66 from sesame and 8 from wheat.
- 8 women from CIG engaged in wheat trade aggregation in Tigray. These 8 members of received 1,769 USD loan from Embeba Haye RUSACCO and linked to Bokra Cooperative Union.
- Special women-only field day organized for 62 female farmers (11 male officials) in order to increase women's access to improved agricultural technologies.
- A total of 725 female farmers (20% of total) had received improved seeds of chickpea for seed production during 2011/12 crop season and the result of which are expected in the coming quarters.
- Some of results documented following the cross-regional learning visits conducted in Amhara on gender equity and women empowerment in Honey Value Chain include:
 - The Amhara participants in Bure, promoted and supported Kokeb Bee Keeping cooperative (used to be weakest cooperative both in honey marketing and women participation (had 1 female member out of 283) took action for making the cooperative competitive and gender inclusive, increased women membership by 10 from the baseline of 1 woman; market linkages created with Zembab as a result of which it has sold 10 quintal of honey for 38,000 birr, submitted membership application to Zenbaba Cooperative Union for Sustainable Market linkage by paying registration fee and paid share worth of 1000 birr and 6000 birr respectively; have linked with two Bee-keeping Common Interested Groups (mixed sex) namely Yabebal Ambaye (having 20 members) and Denbul Bee-keepings (10 member (5 women, 5 men) have been linked with kokeb Bee-keeping Cooperative as business clients. has purchased 6.5 Quintal Honey from Yabebal Ambaye CIG
- Participants of the cross-regional learning visits in honey and gender equity promoted cooperatives to be inclusive and competitive through sharing the learning to others and increasing women members. For examples, Tigray participants shared learning to 600 bee keepers (182 females) in Endahohani, Ofla, and Welkayt woreda
- The membership of women increased in Kiduse Primary Cooperative (Tigray) from 2 to 20
- The membership of women increased in Kokeb Primary Bee Keeping Cooperative (Amhara) from 1 to 11, linked 2 CIGs as clients and purchased 6,000 kg of honey.

Key activities and successes

Gender in Honey Value Chain

AGP-AMDe cross-regional learning visits on gender equity and women empowerment in honey value chain brought 75 (21 female) stakeholders from 4 regions representing offices of agriculture,

cooperative, marketing, women's affairs, farmers' cooperatives, cooperative unions, CIGs, model female farmers to observe women individual and collective actions on honey, practical institutional support and linkage created with coop/unions.

AGP-AMDe facilitated gender awareness training including women leadership and decisions making aspects for 42 (11 female) beekeepers and key stakeholder from December 26-28, 2012 in Bonga. Specific commitments that were made include the following:

- Increasing the number of women members of bee products marketing in 7 Primary cooperatives (from the base line of 8%) and in mixed beekeeping CIGs by 50% in Decha woredas
- Establishing women bee-keeping CIGs in at least 23 rural kebeles (50% of the total 46 Kebeles) of Decha woreda
- Support 10 women SAACOS in Decha woredas to organized and work on bee products
- Provide financial support to 8 CIGs and 7 PCs for honey and bees wax processing
- Provide skill training on marketing and processing techniques of honey and bees wax
- Product promotion and market linkage creation
- Promoting bee product collection and sales shops
- Empower women-headed households and spouses to increase women's leadership role in PCs, FCUs and CIGs.

Gender in the Wheat Value Chain

The targeted intervention for women in Tigray engaged in wheat trade was a female only field day that provided women access to improved technologies. The success was also shared to the wider stakeholder on the gender sensitive value chain training organized in Tigray.

- A CIG (8 women) engaged in wheat aggregation through linkage with a union and RUSACCO in Tigray.
- In Tigray, female farmers' special field day organized for 63 female farmers and 11 officials to increase women access to new technology in Tigray on December 2, 2012 on multi-nutrient fertilizer demonstration.
- The representatives of CIGs, the RUSACCO and Women's Affairs Office expressed how empowered and motivated they are for investing on increased women participation.

Gender in the Coffee Value Chain

- 46 female (25% of total) took part in technical training on coffee processing; 21 females participated (27% of 77 total) on processing natural and "honey" processed coffee training and 3 females (10 % of 32 totals) on coffee SMFM in the South.
- The first brainstorming session on establishing a women in coffee network occurred and is expected to evolve into establishment of national chapter that are linked to global and regional network.

Other gender activities

- AGP-AMDe took part in the World Bank led study for pilot interventions on Sustainable Support for Rural Women Entrepreneurs (SSRWE) initiative which will conduct field survey facilitation/assessments, stakeholder consultations and district level validation workshops.
- With regards to innovative grants, women-owned/led organizations were identified, informed and promoted to apply and link to AGP-AMDe innovation and demonstration grant.
- AGP-AMDe is a member of the monthly Gender and Cooperative Working Group led by ATA. Among the key issues discussed include gender in cooperative certification, documenting and sharing best practices, information on gender activities to avoid duplication and increase coordinated efforts.

Analysis of Gender Integration into Value Chains

Women contribute to overall agriculture production and agricultural value chains as farmers heading their families, as unpaid family labor in male-headed households, as laborers in farms and processing companies, as petty traders, as off-farm laborer for income generation, and end users of products and services. Considering the whole spectrum of value chain development from input supply, production, processing to end markets, the role of women is often not well recognized, valued, remunerated and not adequately supported. As a result, women often miss out on the different opportunities and often fail to benefit from range of value chain development.

Studies show positive contributions of investing on gender equity and women to economic growth in general and value chain competitiveness in particular. Investment in women increases agricultural productivity and can lead to improved business performance, profits, product quality, and reduction in post-harvest losses, thereby contributing to food security alleviation and hunger reduction.

There are formidable challenges for ensuring equal participation and benefits of women. These challenges are related to influencing factors such as society structures and culture. These determine the conditions and positions of women in the AGP-AMDe targeted value chains. Gender inequality persists across a range of societal structures, including government structures, cooperatives, private sectors in processing, wholesale or export, business associations like grower, millers, and exporters associations. These include:

- Women underrepresented as members and leaders in key economic structures such as agricultural cooperatives, business networks and associations. Women are not actively participating as full members by their own right at different farmers' cooperatives and cooperative unions due to a number of reasons. The major barriers were female illiteracy, heavy workloads and lack of ability to make decisions in a male-headed household.
- Investing in women-only groups or women cooperatives, women processors and exporters could potentially be an alternative option for empowering and engaging women. Yet one rarely finds well organized and legal women cooperatives for engaging in AGP-AMDe interventions.
- Common Interest groups (CIGs) are considered as an opportunity to engage women in AGP-AMDe. However, the CIGs have many practical and institutional challenges. Most CIGs are organized outside AGP-AMDe intervention areas and value chains. These groups are considered informal by many stakeholders because they are not legally registered entities, posing a challenge to developing business contracts for sourcing and for facilitating access to finance and BDS services needed for business growth.

Nutrition and HIV/AIDS

Overview

One of the rationales for integrating nutrition into the six targeted agricultural value chain commodities is to look for ways to make nutrition marketable. Focusing on how to leverage the selected crops for nutrition outcomes is crucial to successfully integrating nutrition within agriculture. It is believed that working with the value chain will result in more creative and sustainable solutions to reaching nutrition outcomes than changing the nature of the value chain to reach the desired nutrition outcomes.

Integrating People Living with HIV/AIDS (PLWHA) into the value chain process will create opportunities with crops that require less time and energy as inputs, such as honey, to accommodate their decrease in energy and compromised health. However, due to the delay of funding from PEPFAR for the HIV/AIDS program implementation, AGP-AMDe is integrating nutrition and HIV/AIDS activities in to existing program.

Summary of Results

The agriculture to nutrition pathway was developed by all USAID implementing partners describing how agriculture impact positively the nutritional status of a population especially children and women. This pathway has been adapted to align with the principles of FtF and it was presented at the Nutrition- Global Learning and Evidence (N-GLEE) conference in Kampala that was hosted by USAID's SPRING project carried out from 10 – 12 December, 2012. AGP-AMDe has used the pathway to understand whether the project is addressing nutrition.

During the three day conference, more than 100 participants from the Agriculture and Nutrition sectors attended the meeting. The Ethiopian team consisted of representatives from USAID ALT, EGAT, Program/Health Offices and the Feed the Future and Nutrition (FtF) ENGINE, GRAD and AGP-AMDe projects. The workshop objectives were to help participants to:

- Understand the current state of evidence that links economic growth, agriculture and improved nutrition outcomes
- Identify and articulate the major gaps in program evidence, design and implementation under current FtF investments
- Develop plans that can strengthen current programs
- Build skills that can contribute to strengthening program design, implementation and evaluation based on a better understanding of current evidence

AGP-AMDe prepared a draft nutrition training plan and guideline targeted to train Home Agents and agricultural DAs that will be cascaded down to the grass-root FCUs and individual farmers. The training plan and content development is being done in consultation with Federal Ministry of agriculture. The training guide under development focuses on:

- a. Diet diversity and crop diversity
- b. Micronutrients make the body healthy
- c. How balanced diet makes healthy families
- d. Budgeting for a diverse diet
- e. Translating income into nutrition
- f. How fertilizers work to make the land healthy
- g. Personal and environmental hygiene

Several other activities were conducted such as the following:

- Identification and preparation of nutrition messages and visual materials that will be used as an input for the STICKs preparation that are going to be used as a supplementary to the intended nutrition training for agricultural service providers.
- Conducted a mapping exercise and identified over 200 wheat millers in four of the project implementing regions and short listed 14 potential millers to work with in connection to food fortification program
- Prepared a 2-day advocacy training plan for wheat millers on food fortification and are closely working with millers association to conduct the training soon.



Well-equipped laboratory in one of the wheat millers in Adama town, Oromia region

Key activities and successes

- Identified and prepared nutrition messages and appropriate visual materials that will be used as an input for the STICKs preparation to be used parallel with the intended nutrition training
- Identified over 200 wheat millers in four of the project implementing regions and short listed 14 potential millers to pilot and work with activities related to food fortification program and eventually produce fortified flour.
- A working group meeting of the nutrition focal points of each USAID-funded project including AGP-AMDe has been conducted and using the pathways prepared earlier identified the individual project strengths and gaps in addressing nutritional outcomes of their projects as well as to identify areas of synergy and collaboration between the projects. The working group also presented their findings regarding agriculture-nutrition pathway to USAID mission. Continuous working group meetings will help the projects to coordinate their nutrition activities and achieve the nutrition objectives of FtF.
- Produced the first draft of nutrition training guide for Home agents and agricultural DAs.
- Participated in the development of the nutrition SBCC strategy in which the draft has already finalized and being circulated among the concerned for comments.
- Conducted focus group discussions and dietary survey on selected value chains in collaboration with the nutrition director at ACDIVOCA HQ. The assessment will help in developing appropriate training and BCC materials that are based on the reality on the ground and that is based on the community's communication style preference.
- Discussions were held with one of the USAID partner organization Livestock Growth program (LGP). The main points of discussion were in the area of collaboration most particularly on nutrition and HIV/AIDS components of the two projects.
- Nutrition specialist attended an international three days conference on nutrition December 10-12, 2012 in Kampala, Uganda organized by USAID and hosted by SPRING project.
- A meeting was held with officers in charge of Home Agents at Federal Ministry of Agriculture concerning the upcoming training plan that will be organized to Home Agents and development Agents (DAs).

Analysis of Integrating Nutrition into Value Chains

The relationship between agriculture and nutrition extends throughout the various stages of the value chain, from production to markets and on to final use by the food consumer. However, improvements along the value chain which increase income, food production and market availability do not ensure that nutritionally vulnerable populations will consume more nutritious foods, let alone experience improved nutritional status. The AGP-AMDe strategy is to develop more competitive value chains by generating increased incomes and lowering food costs, which will give households the option to buy nutritious foods and spend less to provide a diverse diet for their family. At the same time, nutrition messages and desired behavior change communications are integrated into AGP-AMDe agriculture training materials and delivered to a wide range of value chain actors. AGP-AMDe will also leverage other USAID programs, such as ENGINE and GRAD, to maximize benefits to beneficiaries. AGP-AMDe will contribute to the national agenda on nutrition by targeting all levels of the value chain, ensuring that each stakeholder understands the economic and social benefits of improved nutrition.

During this quarter, a strategic planning and assessment tool was developed which includes research into behaviors in food consumption and household expenditure patterns and will be piloted in the coming quarter. The tool has several components of analysis which include the following:

- Looking beyond Diet Diversity Score – digging deeper into diet diversity scores to examine which specific food groups contribute to the score and conduct additional qualitative research to determine why people eat the foods that they do
- Production and market behaviors of value chain actors – conduct focus group discussions with farmers in each value chain to examine how their productive behaviors influence food selection and consumption at the household level.
- Calculate the cost of a minimally nutritious diet and household expenditure patterns– look at food patterns of target beneficiaries as well as market availability, cost of foods and typical household income (agriculture, livestock and livestock product sales) and expenditure patterns.

Environment

The AGP-AMDe completed and submitted the Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) report as an amendment to the previously submitted Initial Environmental Examination (IEE). The PERSUAP addresses USAID environmental concerns and identifies risk factors associated with project interventions. The findings of the PERSUAP demonstrate the project activities to be low risk and with no significant adverse impacts.

Additionally, Representatives from AGP-AMDe participated in a training sponsored by USAID's Environmental Compliance team to discuss the various threats affecting our environment. The training proved to be very significant in educating all attendees on several topics ranging from environmental regulations to impacts of pollution on human beings and all living organisms alike. Also, the training provided insight environmental pollutions that affect our crops, soil, and various agricultural inputs. In addition, the training stressed on the vigilance needed of implementing partners of USAID in regards to the Environment as a whole and its negative externalities.

Communication, Knowledge Management and Behavior Change

Overview

AGP-AMDe's communication and knowledge management strategy is designed to ensure coordination with all partners implementing the components of AGP and other USAID-funded projects, as well as other partners. The team has also developed a strategy for project communications to donors, stakeholders and beneficiaries. The communication strategy will

gradually increase visibility for USAID AGP-AMDe and inform various audience segments of AGP-AMDe's results to date. The goal of the knowledge management team has been focused on the development of an AGP-AMDe knowledge management platform that will use an integrated multi-channel approach, including a knowledge management portal, information dissemination through mobile phones, and the creation of a social media presence. Behaviour change communication (BCC) is another areas of intervention in which AGP-AMDe made significant progress this quarter. The BCC strategy will serve as a guide for program interventions to create a participatory program with a measurable impact on smallholder farmers.

Summary of Key Results

- Request for Proposals released on December 11, 2012 for Communications activities to assist AGP-AMDe in increasing program visibility through various types of communications messages, frequency and mediums.
- Barrier analysis conducted and prioritizes two key behaviors targeted for FY2013—women actively participate in cooperatives as full members; and farmers save using financial institutions.
- Analysis conducted of current information gaps and needs to develop AGP-AMDe's knowledge management portal.

Key Activities and Successes

Communications

- Request for Proposals released on December 11, 2012 for communications firms to assist AGP-AMDe in increasing program visibility through various types of communications messages, frequency and mediums. The selected marketing firm will to inform the various audience segments of AGP-AMDe's results to date. AGP-AMDe received proposals from four professional marketing firms and employed a competitive process of proposal review using evaluation criteria and selection matrices. Communication activities will begin in February 2013.

Behavior Change Communication (BCC)

- The barrier analysis was carried out this quarter —a rapid assessment tool used to identify behavioral determinants associated with a particular behavior. These determinants include barriers to change and enablers that support change. The barrier analyses focused on four behaviours, determined through an assessment done with the AGP-AMDe team encompassing all project components:
 1. Women actively participate in cooperatives as full members.
 2. Farmers save using financial institutions.
 3. Farmers use improved seed and mineral fertilizers.
 4. Farmers use market information (know when to sell, where to sell, how to sell for).
- A total of 367 farmers were surveyed (using focus group discussion method) in the four regions of Oromia, SNNPR, Amhara and Tigray to identify specific determinants. The survey results are summarized below and also included in the BCC strategy plan report.

Desired Behavior Change	Barriers	Enablers
Women actively participate in Co-ops	<ul style="list-style-type: none"> ✓ Illiteracy ✓ Heavy work load ✓ Husband disapproval ✓ Co-op staff/leaders were not supportive of women joining cooperatives 	<ul style="list-style-type: none"> ✓ Information about co-ops ✓ Benefits of joining co-ops ✓ Approval from husband to join coop ✓ Support from co-op staff/leaders to join

Desired Behavior Change	Barriers	Enablers
Farmers Use Market Information	<ul style="list-style-type: none"> ✓ Lack of storage ✓ No adequate transportation to market ✓ No telecommunication/ radar/ mobile phone to be information ✓ Need for liquid cash just sell crop at any price 	<ul style="list-style-type: none"> ✓ Avoiding losses by selling at a low price ✓ Multiple ways of obtaining market information
Farmers use improved technologies	<ul style="list-style-type: none"> ✓ Lack of knowledge in utilization of seed and fertilizer ✓ Lack of infrastructure to distribute seed and fertilizer ✓ Input prices are high 	<ul style="list-style-type: none"> ✓ Knowledge of the benefits of inputs to improve yield ✓ Timely availability of inputs ✓ Easy access to through FCUs and PC
Farmers save through financial institutions	<ul style="list-style-type: none"> ✓ Lack of capital ✓ Farmers squander earnings ✓ Lack of knowledge/trust of financial Institutions 	<ul style="list-style-type: none"> ✓ Farmers can have access to loans through savings ✓ Farmers can obtain interest through savings ✓ Farmers can acquire insurance ✓ Increases knowledge and training on financial institutions increases trust

- Using the findings from the barrier analysis, AGP-AMDe prioritizes two behaviors for Year 2 - women actively participate in cooperatives as full members and farmers save using financial institutions.
- The AGP-AMDe BCC strategy was completed, and is attached to this quarterly report.

Knowledge Management

- This quarter the focus was on the scope and strategy for a knowledge management portal. AGP-AMDe conducted an analysis of current information gaps and needs to develop the project's knowledge management portal. The portal will aim to advance value chain productivity as well as increase regional and international trade and investment. Proposed portal features may include:

Main tab	Sub tabs
AGP-AMDe Project	Overview of project, staff, activities, success stories, map of activities, news, events
Value chains	Overview of each value chain, resources and studies, trainings, input management, banking products and services
Best practices and tools	Risk analysis, templates, value chain development, business opportunities
Market information	Prices, product specifications, export information, price trends
Conferences and events	National, regional and international trade shows
Links	ECX, CSA, ATA, EGT, MOA, MOT, regional bodies and other input sites
Forums	Discussions focusing on trade and market development activities

- The draft knowledge management portal scope was completed, and is attached to this report.

Summary

AGP-AMDe will begin implementing the BCC strategy through a strategic design by: targeting a chosen audience; identifying a communication channel; interpersonal communication; secondary audience-influencing groups; and mass media. In order for AGP-AMDe to reach full potential in communication, knowledge management and BCC, an integrated approach across all program components and stakeholders is essential. Separately, the project uses a customized web-based knowledge management forum, which facilitates information gathering and sharing. Next quarter it will be more readily accessible, streamlining communications on monitoring and evaluation between regional offices and the main office in Addis Ababa.

Monitoring and Evaluation

Overview

Monitoring and Evaluation entails tracking and assessing basic project elements including inputs, activities, outputs, outcomes and impact. AGP-AMDe is expanding its scope of geographic coverage from 83 to 95 woredas and is currently working with 5 M&E staff (3 in Addis Ababa and the other 2 in the two regions of Oromia and Tigray). As an agricultural market development project working under the framework of Agricultural Growth Program, AGP-AMDe involves high level of coordination with government partners at different levels, USAID, and the project partners that are directly and indirectly impacted on. All this makes AGP-AMDe a complex project in fulfilling the results stipulated in the result framework. The project has undergone remarkable improvements over the last quarter in terms of fine-tuning the list of indicators and developing the Performance Management Plan (PMP) with realistic targets that have been approved by USAID, in developing data collection instruments and introducing a web-based monitoring and evaluation system (Ki-project).

Summary of results

- The PMP is preliminarily approved by USAID.
- AGP-AMDe designed and completed data collection forms for the web-based monitoring and evaluation system, Ki-projects, and disseminated them to the field offices.
- Carried out one week training on management of the Ki-project to five M&E staff from Dec 9-12, 2012.
- Two M&E staff attended M&E training in Istanbul/Turkey from 22 – 26 October 2012 that built capacity in designing and implementing an M&E system focused on accountability and learning. The training has targeted M&E managers/specialists and organized around six thematic sessions. Session 1: is on casual modeling and result framework for effective M & E and learning, session 2: gender and environmental integration into the M & E system, session 3: managing evaluation, session 4: M & E best practices for high level of data quality, session 5: increasing the knowledge on using ACIDI/VOCA's global database and indicators and session 6: increasing data analysis and reporting skills.

Key activities and successes

During this quarter, the M&E team completed a training course on Ki-projects, entering the content into the system and learning to design forms and enter data online. Several iterations of the PMP, data collection forms and the first year annual work plan were entered in to the system. By the end of December, the final set of the data collection forms was developed for testing in the field in January, which will then be entered into the system once approved.

- Data collection format has been developed to capture results, reviewed and finally agreed up on with all the staff to be uploaded in the Ki-project and collect data accordingly.
- Baseline report was presented and finalized in October.
- Annual report for the first year was prepared and submitted to USAID in October 2012.

Analysis of M&E

The baseline survey was completed successfully with some benchmark values for the list of indicators. However, there are some indicators that require further data and information as baseline values. With series of iterations in setting targets, assumptions and rationale for setting targets have been spelled out clearly as a base.

Well-prepared results framework and performance indicators with all the necessary elements are an important step for a smooth implementation and tracking of projects. Also M&E has to be considered a management and a learning tool for the project staff and all stakeholders/beneficiaries, rather than only taking it as a mere accountability document or reporting obligation. If M&E is interpreted this way, developing a learning organization can be realized through community information-sharing.

Quarterly Budget

Line Item	Total Budget	Costs May 2011-Sept 2012	Current Quarter (Oct - Dec 2012)	Wheat	Maize	Sesame	Coffee	Honey	Chickpea	Total Costs May 2, 2011 - Dec 31, 2012	Remaining Funds
Salaries and Wages and Fringe Benefits	\$8,608,234	\$1,578,105	\$487,385	\$76,128	\$83,109	\$59,094	\$47,131	\$128,722	\$93,200	\$2,065,490	\$6,542,744
C1 - VC Competitiveness		1,344,516	448,480	69,834	78,343	54,876	43,156	117,435	84,836	\$ 1,792,996	
C2 - Access to Finance		91,181	12,135	1,978	2,076	1,516	1,247	3,127	2,190	\$ 103,316	
C3 - Enabling Environment		142,409	26,770	4,316	2,689	2,702	2,728	8,160	6,175	\$ 169,179	
Subcontracts	\$17,103,982	\$1,344,830	\$750,660	\$54,876	\$102,299	\$124,498	\$316,882	\$89,800	\$62,304	\$2,095,491	\$15,008,491
C1 - VC Competitiveness		1,145,770	594,793	22,634	78,183	102,345	294,743	54,015	42,873	\$ 1,740,562	
C2 - Access to Finance		77,702	3,504	707	384	437	483	922	570	\$ 81,206	
C3 - Enabling Environment		121,358	152,364	31,535	23,732	21,716	21,656	34,863	18,861	\$ 273,722	
Sub-grants	\$14,200,000	\$56,659	\$1,018,812	\$230	\$0	\$801,861	\$0	\$111,452	\$105,269	\$1,075,472	\$13,124,528
C4 - Innovation & Investment		56,659	1,018,812	230	-	801,861	-	111,452	105,269	1,075,471.53	
Other Direct Costs	\$3,788,536	\$1,588,544	\$676,586	\$101,242	\$106,135	\$76,729	\$61,559	\$188,562	\$142,359	\$2,265,130	\$1,523,406
C1 - VC Competitiveness		1,353,409	619,946	92,605	99,633	71,002	56,238	171,384	129,085	\$ 1,973,355	
C2 - Access to Finance		91,784	16,538	2,592	2,628	1,947	1,609	4,483	3,278	\$ 108,321	
C3 - Enabling Environment		143,351	40,102	6,045	3,874	3,780	3,712	12,695	9,997	\$ 183,453	
Indirect Costs	\$4,214,901	\$1,083,117	\$401,570	\$61,193	\$65,289	\$46,859	\$37,498	\$109,463	\$81,268	\$1,484,687	\$2,730,214
C1 - VC Competitiveness		922,795	368,607	56,041	61,402	43,428	34,291	99,643	73,802	\$ 1,291,402	
C2 - Access to Finance		62,581	9,892	1,577	1,623	1,195	985	2,626	1,886	\$ 72,473	
C3 - Enabling Environment		97,741	23,071	3,575	2,264	2,236	2,222	7,195	5,579	\$ 120,812	
Total Estimated Cost (1 to 5)	\$47,915,653	\$ 5,651,255	\$ 3,335,013	\$ 293,669	\$ 356,832	\$ 1,109,042	\$ 463,071	\$ 628,000	\$ 484,400	\$ 8,986,268	\$ 38,929,385
Earned Fixed Fee (up to the ceiling amount)	\$1,969,783	280,863	136,186	21,033	22,568	16,175	12,963	36,601	26,847	\$ 417,049	\$ 1,552,734