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

QUARTERLY REPORT

JULY 1 – SEPTEMBER 30, 2013



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

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List of Acronyms

AAIFP	Alliance for Africa for Improved Food Processing
ACDI/VOCA	Agricultural Cooperatives Development International/Volunteer Oversees Cooperatives Association
AFCA	African Fine Coffees Association
AGP	Agricultural Growth Program
AGP-AMDe	Agricultural Growth Program-Agribusiness and Market Development
AGP-LMD	Agricultural Growth Program-Livestock Market Development
AMSAP	Advance Maize Seed Adoption Program
APS	Annual Program Statement
ARC	Agricultural Research Center
ATA	Agricultural Transformation Agency
B2B	Business to Business
BA	Barrier Analysis
BAP	Best Agricultural Practice
BCC	Behavior Change and Communication
BDS	Business Development Services
BH	Bako Hybrid
BoARD	Bureau of Agriculture and Rural Development
BP	Business Plan
CAADP	Comprehensive African Agricultural Development Program
CBE	Commercial Bank of Ethiopia
CBO	Cooperative Bank of Oromiya
CEO	Chief Executive Officer
CIG	Common Interest Groups
CLU	Central Liquoring Unit
CN	Concept Note
COP	Chief of Party
CQI	Coffee Quality Institute
CSA	Central Statistics Authority
DAs	Development Agents
DCA	Development Credit Authority
DRRW	Durable Rust Resistance in Wheat
EAB	Ethiopian Apiculture Board
EAGC	East African Grain Council
EBA	Ethiopian Beekeepers Association

ECX	Ethiopian Commodity Exchange
ECEA	Ethiopia Coffee Export Association
ECEI	Ethiopian Coffee Export Initiative
ECGPEA	Ethiopian Coffee Growers, Producers and Exporters Association
EFC	Ethiopian Fine Coffees
EHBPEA	Ethiopian Honey and Beeswax Producers and Exporters Association
EIAR	Ethiopian Institute of Agricultural Research
EMA	Ethiopian Millers Association
ENGINE	Empowering New Generations to Improve Nutrition and Economic Opportunities
EPOSPEA	Ethiopian Pulses, Oil Seeds and Spices Processors and Exporters Association
FCA	Federal Cooperative Agency
FCUs	Farmer Cooperative Unions
FMHACA	Food, Medicine and Health Care Administration Control Authority
FOB	Freight on Board
FOG	Fixed Obligation Grant (FOG)
FtF	Feed the Future
GAP	Good Agricultural Practices
GAIN	Global Alliance for Improved Nutrition
GoE	Government of Ethiopia
GRAD	Graduation with Resilience to Achieve Sustainable Development
GTP	Growth Transformation Plan
Ha	Hectare
ICT	Information, Communication Technology
JARC	Jimma Agricultural Research Center
JRIS	Joint Review and Implementation Support
KFBPMFCU	Kaffa Forest Bees Product Marketing Farmers Cooperatives Union
Kg	Kilograms
LC	Letter of Credit
M&E	Monitoring and Evaluation
MFIs	Micro Finance Institutions
MoA	Ministry of Agriculture
MOFED	Ministry of Finance and Economic Development
MoT	Ministry of Trade
MOU	Memorandum of Understanding
MSP	Multi-Stakeholders Platform
MTs	Metric Tons
NBE	National Bank of Ethiopia

NCA	National Coffee Association
NGOs	Non-Governmental Organizations
OARD	Office of Agriculture and Rural Development
P4P	Purchase for Progress
PCs	Primary Cooperatives
PEPFAR	President's Emergency Plan for AIDS Relief
PERSUAP	Pesticide Evaluation Report and Safer Use Action Plan
PFS	Partners in Food Solutions
PHH	Post-Harvest Handling
PLC	Private Limited Company
PMP	Performance Monitoring Plan
PRIME	Pastoralist Areas Resilience Improvement and Market Expansion
Qt.	Quintal
RCA	Regional Cooperative Agency
SACCO	Saving and Credit Cooperative
SCAA	Specialty Coffee Association of America
SHF	Smallholder Farmer
SMEs	Small and Medium Enterprises
SMFM	Sell More for More
SNNPR	Southern Nation Nationality and Peoples Region
SSRWE	Sustainable Support for Rural Women Entrepreneurs
TMF	Tigray Marketing Federation
TOH	Taste of Harvest
TOT	Training of Trainers
TWG	Technical Working Group
VC	Value Chain
USAID	United States Agency for International Development
USD	United States Dollar
WFP	World Food Program
WG	Working Group

Executive Summary

This report covers the period of July, August and September 2013, and describes the high-level visits as well as progress of the AGP-AMDe project during this period below.

In August, AGP AMDe facilitated a Congressional Delegation organized by Aspen Institute on an ECX field trip. The delegation was led by former Secretary of Agriculture Dan Glickman, who directs the Aspen Institute Congressional Program. The group was welcomed at ECX by CEO Anteneh Assefa, Dennis Weller, director of USAID Ethiopia, and Vanessa Adams, project Chief of Party. ACDI/VOCA board member Patti Garamendi and her husband Congressman John Garamendi, also former Peace Corps volunteers in Ethiopia in the 1960s, were both on the trip.



During the AGOA Forum in August, AGP AMDe also facilitated a visit to understand coffee traceability for United States Trade Representative Ambassador Michael Froman to Aleta Land Coffee processing factory in Addis Ababa, along with ECX CEO Anteneh Assefa and Starbucks Global Traceability Director, Arthur Karuletwa all seen along with US Ambassador Booth at a traditional Ethiopian coffee ceremony.



The **coffee value chain** exported a total of \$8.9M USD and created 283 new jobs through nursery activities during this quarter. 51% of the laborer and 39% of the coffee seedling business participants are women. A total of 339 trainees (13% women) received agricultural productivity training from AGP-AMDe. During this quarter, the coffee team developed technical manuals on input use and post harvesting and handling (PHH) best practices. This training will contribute to the production of higher value specialty coffees. A total of 198 farmers applied new technologies or management practices to improve the quality of their production.

The **sesame value chain** recorded exports of 13,670 MT from Amhara and Tigray regions at a value of USD \$16.7M since October 2012. The exports were a result of market linkages and multi-stakeholder platform (MSP) meetings facilitated by the project. The project facilitated the construction of four warehouses, each with a storing capacity of 5,000 MT each, at a total investment of USD \$2,038,684, and indirectly created 235 full time equivalent jobs.

The **chickpea value chain** supported the supply of 112.5 quintals of basic chickpea seed to the newly added farmer cooperative unions (FCUs) of Erer, Wodera and Ghion. This chickpea seed was distributed to 291 smallholder farmers (17% women). From the previous quarter, the revolving seed grant in Tsehay, Becho Wolliso and Lume Adama FCUs collected and distributed a total of 1,208 quintals of C2 chickpea seed as a rotational facility to a total of 2,635 smallholder farmers for seed multiplication. Due to this intervention, Tsheay FCU has entered into a new seed business and able to sell 1,982 quintals of chickpea seed to 11 seed producing institutes in Amhara region. This resulted in new business activities to the FCU, combined with significant seed popularization to a wider area in the region.

The **honey value chain** provided intensive support to honey FCUs and processors, linking them with domestic and international markets to increase the sales of honey and other bee products at trade shows this past quarter. The most significant achievement was converting an introduction at Gulfoods trade show into a signed MOU for a partnership between Zembaba (the largest honey producing FCU in Ethiopia) and one of the largest honey traders in the world (Parodi Apicultura). This partnership offers Zembaba an excellent business opportunity with expected sales of 500 MT in the first year and a 30K Euro equipment investment for Zembaba to innovate production technology, which will improve quality as well as increase productivity.

The **wheat value chain** conducted Sell More for More (SMFM) training to 61 participants (1 woman) in SNNPR and SMFM input application training was cascaded to 1,425 farmers (263 female) by lead farmers in SNNPR and Tigray. A consultative meeting by AGP-AMDe facilitated a draft wheat output marketing agreement between Ethiopian Grain Trade Enterprise (EGTE) and five unions in Oromia region proceeded to the next steps to establish contractual agreements for the sale of bulk wheat and access to finance. In addition, post-harvest machine leasing discussions were facilitated between private machine leasers and four FCUs. 3 CIGs are working with SACCOs in Tigray to secure credit related to 129 MT of wheat grain for marketing. 4 FCUs in Tigray and one association of commercial farmers were identified for the farm-machinery long term loan under DCA. 15 processors with 888 MT capacity were identified in collaboration with the regional trade and industry bureaus.

The **maize value chain** played a prominent role in creating market linkages between the maize FCUs and the World Food Program under the purchase for progress (P4P) program. Between April and July, seven FCUs supplied 13,592 MT of white maize to WFP, meeting 94% of the target. These FCUs were able to successfully rent warehouses and cleaning machines during

the supply period. The result is that additional maize market opportunities are available to these farmers. Twenty-nine FCUs, 15 supported by AGP-AMDe, have signed MOU to supply 40,000 MT to WFP in 2014. AGP-AMDe facilitated the Advance Maize Seed Adoption Program (AMSAP) focused on hybrid maize technology, as well as directly facilitated the popularization of BH-661 seed. The new hybrid maize variety model farmer demonstrations have proven to be more effective in transferring seed technology to maize growing farmers. A significant number of farmers have already started to request the supply of improved hybrid maize seed.

Input supply implements market interventions that respond to increased demand for quality seed of superior varieties, multi-nutrient and briquetted fertilizers in collaboration with MoA. There has been support on new application requirements for blended fertilizer through identification of specific nutrient deficiencies that correspond to crops in specific agro ecologies. The team also assisted to increasing product demand through knowledge enhancement of private seed companies, fertilizer blending FCUs, and agricultural entrepreneurs for eventual transfer to PCs and smallholder farmers.

In the last quarter, six new technologies are under field demonstrations: 2 new fertilizer technologies (multi –nutrients and briquettes), 3 wheat varieties (Qeqeba, Digelu and Shorima) and one sesame variety (Humera 1). 384.42 hectares of land was covered with improved seed and fertilizer technologies, including demonstration of Urea briquettes and multi-nutrient fertilizer, for popularization and seed multiplication purposes. 233 beneficiaries were supported through the seed activity in wheat and sesame value chains. 27 organizations applied new fertilizer technologies through demonstrations of which 15 were on wheat and 12 on sesame value chain.

Under **Component 2, Improving Access to Finance**, the AGP-AMDe team assisted 21 FCUs in applying for \$47.2 million USD in loans with financial institutions for working capital and project financing, to date. Conducted a risk mitigation workshop for 42 MSMEs to improve their capacity to access financial services and created an alternative financial product related to leasing for 4 FCUs in the last quarter.

Under **Component 3, Improved Business Enabling Environment**, the following activities were completed and outcomes achieved:

- Completed a rapid assessment and initiated work on an international comparative analysis of the new Seed Proclamation and Draft Regulations

- Commenced work on developing a comprehensive fertilizer procurement and distribution strategy to improve the efficiency of the fertilizer supply chains
- Provided guidance to Federal Cooperative Agency (FCA) on the potential role of FCA in credit provision
- Provided a guidance paper on the extent of a bumper cereals crop impact on cereals prices and measures to mitigate that impact
- Completed a focus group research on international best practices in multi-purpose cooperatives and RUSSACO's in provision of credit to small commercial farmers. Also, completed research and a report on the lack of rural finance and its negative impact on farmers' use of fertilizer as well as its detrimental effect on the successful operations of successful multi-purpose cooperatives and RUSSACO's in reaching the small commercial farmer.

Under **Component 4, Innovation Fund** 16 new grants worth \$1,605,589 were signed in this quarter. Of the \$14M AGP-AMDe Innovation and Demonstration Fund, 38 grants worth a total of \$3,782,596 have been awarded. Grants amounting to \$2,718,908 are awaiting approval and grants amounting to \$4,299,821 are well advanced in the grant pipeline.

Nutrition completed the first pilot study of Nutri-SAT in Ethiopia in August 2013. The average stunting rate for the 4 AGP-AMDe regions is 47%. According to the Global Food Security Index, one of the main nutrition challenges is diet diversity. Ethiopia scores 16 out of 100 on sufficiency of food supply with 66% of Ethiopia's population below the global poverty line. The average Ethiopian spends 58% of their household income on food compared to the global average of 38%.

The purpose of the pilot was used to develop agricultural value chain activities and to create a nutrition-sensitive work plan for the AGP-AMDe program. This pilot aimed to triangulate the components to give a more comprehensive picture of food purchasing and consumption practices of our target beneficiaries and their families. This information allows AGP-AMDe to tailor interventions for specific needs to get the highest impact.

Behavior Change Communications developed and designed an overarching theme and artistic motif for all planned project BCC activities. The theme, "For a Fruitful Life," was pretested with farmers in Holleta, Oromia region, and will be included on all project BCC materials starting next quarter. Additionally, the project composed and pretested eight

messages for BCC behaviors and created two posters for the gender BCC campaign (the first of five BCC campaigns).

In **Gender**, AGP-AMDe secured an additional \$1.5M for the Women's Agribusiness Leadership Network (WALN) during this quarter. The project developed an application form for mentors and began developing the curriculum. Additionally, the team held a 2 day meeting in Addis Ababa with USAID Washington DC and World Bank representatives to kick start the impact assessment process.

ICT/Knowledge Portal developed the AGP Knowledge Management Portal site structure and graphical user interface (GUI) and activated the prototype online (www.ethioagp.org). As part of this achievement, ICT collaborated closely with the Ministry of Agriculture (MoA) on the development of the portal and finalized an agreement between the Ethiopian Commodity Exchange (ECX) and AGP-AMDe to establish an application programming interface (API) to provide market price information on the portal.

Result Performance Tracking Table

AGP-AMDe made progress during July to September 2013 to achieve its life of project results. The achievements for the quarter and overall to end of September 2013 are presented in the indicator performance tracking table (IPTT) below. Some highlights of Life of Project results achieved are:

- Facilitation of farmgate sales valuing \$21,684,472
- Total value of coffee, sesame and honey exports since start of project: \$31,364,130 or an average of approximately \$15 million per year;
- Leveraged investment - using innovation funds and facilitating bankable business plans, the project facilitated the construction of warehouses for FCUs who received \$12,004,638 in bank loans to support 30% cost share for innovative grants;
- 1,988 new jobs (converted to full time equivalent) created
- Conducting work on eight policy issues in close coordination with Agriculture Transformation Agency (ATA).

Likewise, the major indicators based results of the project for the quarter July-September are as follows:

- 484 new jobs converted to full time equivalents created
- 5671 individuals benefited through training, sales and job opportunities while an additional 6851 smallholder farmers benefitted from cascaded training
- USD 514,839 farmgate incremental sales facilitated
- Exports of coffee valued at USD 8,999,362 by Yirgacheffe and Kaffa Farmers Cooperative Unions were facilitated

PRIORITY INDICATORS PERFORMANCE

No.	Performance Indicators	Value chain	Unit of Measure	Cumulative Year 2 Result (March 2011 to June, 2013)	Year 3 Target	LOP target			
							July-Sept Quarter Total	Cumulative To date Total	% LOP Target Achieved To date
1	Number of jobs attributed to FTF implementation	Wheat	#	55		2,268	6	61	3
		Maize		1,194		2,060	115	1,309	64
		Coffee		20		1,500	283	303	20
		Sesame		235		1,556	0	235	15
		Chickpea		0		1,538	0	0	0
		Honey		200		1,100	80	280	25
		Total			1,504		10,022	484	1,988
2	Number of beneficiaries supported by AGP-AMDe assisted value chains	Wheat	#	794	3,488	286,951	1,653	2,447	1
		Maize		52,967	386,087	295,440	290	53,257	18
		Coffee		36,247		110,517	339	36,586	33
		Sesame		48,792		74,980	147	48,939	65
		Chickpea		6,005	1,675	143,974	2,215	8,220	6
		Honey		2,763		88,282	749	3,512	4
		Others (Inputs, BDS, Gender, etc.)		639			278	917	
Total		184,996		1,000,144	5,671	190,667	19		
3	Value of incremental sales (collected at farm-level) attributed to FtF implementation	Wheat	USD	216,967		39,002,765	0	216,967	1
		Maize		5,044,974		12,449,951	0	5,044,974	41
		Coffee		7,142,143		12,019,677	510,223	7,652,366	64
		Sesame		8,001,477		37,544,955	0	8,001,477	21
		Chickpea		576,514		8,403,233	0	576,514	7
		Honey		187,558		313,539	4,616	192,174	61
		Total			21,169,633		109,734,120	514,839	21,684,472

No.	Performance Indicators	Value chain	Unit of Measure	Cumulative Year 2 Result (March 2011 to June, 2013)	Year 3 Target	LOP target			
							July-Sept Quarter Total	Cumulative To date Total	% LOP Target Achieved To date
4	Value of exports of targeted agricultural commodities as a result of USG assistance	Wheat	USD	0			0	0	NA
		Maize		0			0	0	NA
		Coffee		10,679,823		63,998,000	8,999,362	19,679,185	31
		Sesame		16,709,591		74,644,250	0	16,709,591	22
		Chickpea		0		6,073,807	0	0	0
		Honey		146,400		3,520,000	0	146,400	4
		Total			22,364,768		148,236,057	8,999,362	31,364,130
5	Value of Agricultural and Rural Loans		USD	6,571,929		39,134,157	0	6,571,929	17

Project Introduction

The Agricultural Growth Program – Agribusiness and Market Development (AGP-AMDe) is a \$51.35 million project that is part of USAID’s commitment to join and leverage the World Bank-led AGP and support an Ethiopian, country-led initiative for agricultural growth emerging from the Comprehensive Africa Agriculture Growth Program (CAADP) process. USAID has joined the Government of Ethiopia (GoE), the World Bank (as lead donor), and other donors in developing the AGP, aimed at increasing agricultural growth in high-growth potential, high-rainfall areas of Ethiopia.

The Agricultural Growth Program (AGP) is a major component of the Government of Ethiopia’s (GoE) five-year Growth and Transformation Plan (GTP). Agricultural Growth Program – Agribusiness and Market Development (AGP-AMDe) is a 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). 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 —were identified for their potential to improve both food security and incomes. The project is implemented in 96 woredas in the high rainfall regions of Amhara; Oromia; Southern Nations, Nationalities, and People’s Region (SNNPR); and Tigray by strengthening agricultural productivity and markets.

ACDI/VOCA is the prime contractor and lead organization of the implementation teams that comprises of a consortium of subcontractors with diverse skills and broad experience to deliver results across AGP-AMDe. Subcontractors are described in their roles as follows:

- IFDC provides direct technical assistance in the development of commercial agro-input systems;
- Coffee Quality Institute (CQI) provides direct technical support to develop the coffee value chain;
- John Mellor & Associates (JMA) assists with the enabling environment and provides technical assistance on agricultural policy reform;
- Crown Agents provides demand-driven technical assistance to improve transport, customs, warehousing and logistical efficiency.

- RENEW provides training and expertise with export and investor readiness as well as business linkages to potential export and investment partners;
- Danya provides strategic communication plans, which guide AGP-AMDe's use of communication tactics to increase behavior change, adopt technology, facilitate learning, and increase overall project outcomes;
- Kimetrica facilitates the baseline and endline while implementing its ki-projects™ platform to strengthen the project's monitoring and evaluation (M&E) system

Additional program partners include AGP at the regional, zonal and woreda levels; the Ministry of Agriculture, Ministry of Trade and Industry, Agricultural Transformation Agency, Ethiopian Commodity Exchange, Federal Cooperative Agency, cooperatives and cooperative unions, input suppliers (including seed production companies), traders, agro-processors, transporters, exporters, research institutions and others.

COMPONENT 1: IMPROVE VALUE CHAIN COMPETITIVENESS

Coffee Value Chain

Overview

Ethiopia has the land 500,000 hectares of coffee, sustains the livelihood of over 15 million people and provides income for more additional causal laborer. Ethiopia has also coffee varieties potential to increase the export of quality coffees to more than 75%. Reaching this level of specialty coffee exports would bring an increase of earning to the country's economy and benefit to coffee producers. Of Ethiopia's coffee exports, less than 20% currently meet the standards to receive the value- added prices of specialty coffee.

Under the coffee value chain strategy, AGP-AMDe's is contributing to the overall goal of a 50% increase in Ethiopian coffee exports that will receive value added premium of over 200% by 2020 as per the government's Growth and Transformation Plan (GTP), whereby improvement in quality is rendered a key competitive positioning. Specifically, the project is working to increase the value of commercial coffee while promoting specialty coffees; introduce traceability for mainstream Ethiopian coffees; increase efficiency of ECX platform; and promote new developments in coffee export markets.

Summary of Key Results

- **Exports:** A total value of USD 8.9 million of coffee exported to during this quarter.
- **Jobs created:** During the reporting period, a total of 283 new jobs were created through nursery activities that are supported by the project. This project created job opportunities for permanent and seasonal workers living in the community. 51 % of the laborer and 39% of the coffee seedling business participants are women.

Job created at nursery sites (nursery business)

Name of the site/CIG	Area (ha.)	Permanent (business owners)			Permanent employee		Temporary laborer (CIG members)		Total
		Total	M	F	guard	supervisor	M	F	
Atnago	2.5				2	1	4	50	57
Andode	2				2	1	15	55	73
Bufete gibe	2				2	1	10	40	53
Sub total	6.5				6	3	29	145	183
Chelichella CIG	0.75	20	15	5	-	-	-	-	20
Banko Dadato	1.00	20	16	4	-	-	-	-	20
Basura CIG	0.5	20	15	5	-	-	-	-	20
Beko CIG	0.5	20	15	5	-	-	-	-	20
Beha CIG	0.5	20	16	4	-	-	-	-	20
Su total	3.25	100	77	23	-	-	-	-	100
Total	9.75		77	23	6	3	29	145	283

- **Trainings:** A total of 339 beneficiaries (13% female) were supported by AGP-AMDe through agricultural productivity training and capacity building. For this purpose, the coffee team developed technical manuals on input use and post harvesting and handling (PHH) processes. This training will lead to the production of high value specialty coffees.
- A total of 198 farmers applied new technologies or management practices to improve their quality of their production.
- A total of 49 farmer's organizations received assistance in terms of training and technical assistance provided for targeted cooperative unions, primary cooperatives, who are expected to extend the trainings and effective services to their communities. Project provided its sustained support to coffee sector actors such as ECX, ECEA and other private businesses.

Key Activities and Successes

Continued collaboration with ECX

Work with the Ethiopian Commodity Exchange includes further analysis of Ethiopian coffee exports and traceability coffee and pricing study to bring Ethiopian standards in line with

international best practice, initial coffee pricing competitive analysis, and support to upgrade the installations and equipment at three cupping labs in preparation for the inspection from the SCAA.

Conduct trainings

Quality improvement trainings for processing at farms and mills has begun to be included in the Sell More For More training program provided to primary cooperatives.

Training manuals on inputs and pre and postharvest handling have been prepared and ToT training was provided to 181 participants who will coordinate and facilitate the cascading process. Thirty eight farmers received training on coffee nursery establishment, management and seedling production.

SMFM leadership and management training is given to 111 (80 in Oromiya and 31 in SNNPR) cooperative leaders which covers business management, recording keeping.

More intensive trainings to take place on site at the farms and mills have been delayed by a few weeks due to the late harvest this year, which is impacting all regions of Ethiopia with continued rains.

Coffee seedling grants

Follow up on coffee seedling grant program for three primary cooperatives (Limu Enara union) aimed at improvement of coffee productivity shows that coffee seeds are now germinating (about 95%) benefitting from enhancements made to the propagation process and nursery sites. These nursery sites are producing about 3.4 million seedlings and expected to be distributed in the coming planting season. Each seedling site has USAID signboard showing the support provided for US Government.



Coffee Seedling production in Limu Seka Woreda

In SNNPR improved coffee seedling production support is provided CIGs that are actively engaged in seedling business. These CIGs are producing about 691,000 seedlings and currently started transplanting. They are actively applying improved management of bed preparation, use of pole tine bags, construction of shades, etc. supported by the project. Field visits are conducted at the CIG nursery sites (in Bulle and Gedeb woredas), with the participation of the respective Woreda Agriculture and Cooperative offices, to assess the status of coffee seedling production.



Field visit at Chelichela CIG Nursery site (Gedeb Woreda)

ECEA international conference

AGP-AMDe has been working closely with the Ethiopian Coffee Exporters Association (ECEA) to assure the successful implementation of the second international conference to be held in 4 – 5 Nov. 2013. Activities have included assisting to develop the program and secure speakers (including the Secretary General of the International Coffee Organization), planning for tasting sessions and a field tour, design of a conference website and magazine, promotion to international audiences and support for all of the event logistics.

Coffee Competitiveness Analysis

In spite of its volumes, strong coffee traditions, and wealth of genetic material, Ethiopia farmers have remained among the poorest in the world. The modernization of the coffee sector through the introduction of the Ethiopian Commodity Exchange (ECX) coincided with an upward trend in international coffee prices, which improved the situation for farmers between 2008 and 2010. Since then, the downward trend of international prices accompanied by other structural challenges has impeded sector stakeholders from achieving a competitive position in the global coffee market.

The transition to the ECX trading platform created a split system within Ethiopia, affecting both washed and natural coffees;

1. Lots produced by cooperatives or by private estates that are licensed to bypass the ECX and platform be directly exported (approximately 15% of overall production).
2. All remaining coffee, produced by smallholder farmers (about 85% of Ethiopia's exports), which due to current ECX regulations cannot be traced back to the producing communities or washing stations but is traded based on over 400 classifications of origins and grades.

The traceability gap strongly limits the ability of private exporters to realize access to international markets and to earn adequate premiums for Ethiopia's supply of fine coffees. Many exporters also complain about the ongoing, lot-to-lot quality inconsistencies due to the fact that coffees that belong to the same coffee contract category are pooled together in the ECX warehouses.

This problem has yet to be resolved, though the AGP AMDe program is working with ECX to procure, customize and implement a traceability platform this season.

In addition, there is the disconnect between the ECX price discovery mechanism and the New York “C” market for Arabica coffees, which sometimes results in the fact that ECX coffees trade at higher prices levels and which creates a competitive disadvantage for Ethiopian exporters. In times of depressed or declining market prices (as is the case now), Akrabis (Supplier) tend to hold on to their coffee volumes, thus stagnating the flow of coffee supply. As we have seen in the past year, exporters tend to react by slowing their buying activities due to the competitive challenges they face on the international markets. These impeding conditions have already contributed structurally to the rise in inventories at the level of the suppliers (akrabis).

The newly established private estates and export companies are unprepared to compete at the international level since they often lack coffee expertise and they are unaware about the dynamics of international consumer markets. In addition to poor productivity, a shortterm outlook (one year or less) rather than a longer-term strategic planning focus limits the potential of the industry to compete effectively. Limited access to hedging tools means that domestic coffee traders lack appropriate financial mechanisms to respond to coffee trading risks. The sector associations that are meant to help bring solutions to these issues, struggle themselves with institutional capacity to address these needs.

These complexities make it more difficult and costly for international buyers to get the products they need and want from Ethiopia – it’s often easier to do business elsewhere for a lower priced product.

AGP AMDe works with the government of Ethiopia and with key coffee sector stakeholders who have begun to lay foundation for a more competitive industry. Ongoing work to address these capacity issues and to build a leaner, more efficient, quality-focused system will help ensure higher prices in export markets.

Coffee Value Chain Activity Tracker July – September 2013

Activity Description	Indicator and Unit	Planned Months of Implementation			July - Sept Actual	Reasons for Variation
		July	Aug	Sept		
Volume and value of marketed value chain surpluses increased as a result of improved end-market competitiveness and trade						
Marketing Systems and Practices Improved						
Work with ECX on establishing electronic traceability system (software)	# systems established				bids received	bids under analysis - to be announced next quarter
Support ECX in Ethiopian coffee pricing competitiveness analysis relative to international and NY C market prices	# study				Initial analysis complete	To be completed next quarter
Through the innovation grant fund: 1) capacitate ECEA to recruit a (international to STD) Sec General; 2) provide technical support in building market information system; 3) assist in organizing an annual international conference - Support ECEA to host an effective, high impact conference & training for members	# of participants				heavy support for ECEA conference underway	Conference to be held November 4 & 5
Cascade SMFM training to farmers and operators (post-harvest) and printing and distribution of posters to each farmer	# of farmers and operators				ongoing	linked to grant process
Brand development for Ethiopian Coffee: work to MoT to implement approved logo	logo launched and included in key materials					Delay due to heavy focus on ECEA conference and ECX improvement
Specific and Effective Market Linkages Created						
Enhance Ethiopian Fine Coffee (promotional platform) catalog and website	# website hits				conference website online	Stakeholder input after conference for further improvements
Trade missions to follow up on trade show participation together with associations and exporters	# containers					
Support establishment and effective use of cupping labs in strategic locations to support processing investments	# cupping labs				Improvements planned for 3 ECX labs & 1 FCU	SCAA Inspector scheduled for visit early November
Support installation and calibration of new equipment (dry mills, wet mills, hand pulpers, drying beds, refractometers, moisture meters)	# of partners supported					Delay in grant process

Activity Description	Indicator and Unit	Planned Months of Implementation			July - Sept Actual	Reasons for Variation
		July	Aug	Sept		
Develop and disseminate training materials and posters for improved processing methods	# manuals and posters				two manuals created	
Quality improvement training in harvesting and processing for wet processing and drying bed - Dry Mill Jul-Sept - Harvesting Oct-Dec - Processing and Drying Beds Nov-Feb - Dry Milling at the farm and export level Mar-Jun					236	delayed in part due to late harvest in most regions
Collaboration Between Stakeholders Facilitated and Established						
Support regional coffee task force to improve quality, yields and marketing skills through trainings	# participants					
Strengthen the capacity of MoA, marketing and cooperative bureaus and FCA to deliver training on primary marketing, quality coffee, seedling production and other good agricultural practices	# of trainees					
Support Production of Improved Seedlings Required for Increased Coffee Production (mod)						
Implement seedling distribution and planting strategy to introduce new seedlings through nursery establishment with PC and CIGs (continuing into year 3, 4 and 5)	# seedlings introduced			4.45M	ongoing	linked to grant process
Increased volume of targeted coffee meeting accepted international market requirements						
Support ECEA to host their own coffee tour/caravan in conjunction with conference	# participants, % satisfaction (survey)				plan developed	tour confirmed to take place November 6 - 8
Conduct Q grader training and calibration courses using the Q grader system	# trainees					course planned for late October
Technical exchange to international best practice sites to review coffee marketing systems, regulatory structure and private sector involvement	proposal generated to implement new practices				Program concept & draft itineraries proposed	Travel to take place end October
Gender						

Activity Description	Indicator and Unit	Planned Months of Implementation			July - Sept Actual	Reasons for Variation
		July	Aug	Sept		
Analyze opportunities and develop plan to link women in the Ethiopian coffee sector to the international market; including possible establishment of an IWCA chapter in Ethiopia (separate entity or linked to existing women's organization)	plan developed				Initial conversations w AFCA chapter	Women in coffee panel scheduled for ECEA conference

Sesame Value Chain

Overview

Sesame Humera -1 and Setit -1 variety demo sites and seed multiplications have promoted the awareness of using improved varieties with fertilizer application and with the support of good agricultural practices. The technology in fertilizer trails was carried out with micronutrients on omission and Humera -1 and Setit- 1 sesame variety multiplication is applied on 19 sites and panted 217 ha. of 36 SHF and 12 commercial farmers in nine woredas in Tigray and Amhara. The performance of the fertilizer trails and the seed multiplication have been visited by producers, agricultural experts, DAs and partners from FCU and PCs, ARC and Zonal and Woreda CPA.

The 2012/13 sesame local price and the international market demand have encouraged the producers to produce good quality sesame and AGP-AMDe support motivated them to use new varieties with the new micronutrient fertilizes. In addition, market linkage is facilitated between four FCUs and Kafta Humera Commercial Farmers' Sesame Producers Cooperative with OLAM and is at its final stage for the total purchase agreement of 3,400 MT. This will finally help the sesame producers to enable them to export by providing good quality product to Europe, US and Japan markets in addition to China.

Key Activities and Successes

Training

- Sell More for More PHH TOT training was given in Tigray for 71 trainees (61 male and 10 female) from Kafta Humera, Tsegede, Tahitay Adyabo & Welkait woredas and in Amhara for 90 trainees (76 male and 14 female) that included DAs woreda staff, unions and PCs in five woredas.

SMFM Trainees visiting Setit Humera Warehouse & Group picture with certificates in Humera

- Sell More for More training for cooperative boards of 12 PCs and 4 FCUs was given for 6 days, 22 to 28 September 2013 in Humera. In this training, 70 participants (51 Male and 19 female) participated.

Multi stakeholder platform (MSP) meeting: MSP meeting is conducted in Humera on 23 – 28 September. The participants were 53 from office of Agriculture, research center, ESE, CBE, FCUs, TMF, PCs, ECX, commercial farmers and others.

Seed Multiplication Workshop was undertaken at Gonder on August 5 and twenty nine participants (25 male and 4 female) from region, zone and woreda office of agriculture and cooperative office, and Amhara Seed Enterprise participated in the workshop. Issues including certification of multiplied seed, procurement of multiplied seed and other issues about the sustainability of seed multiplication were raised.



SMFM training in PHH at Gonder and Humera by Respective VC field Specialists

Demonstration Sites and Field Days

Five demonstration sites each with six treatments in two woredas with micro nutrient fertilizers (Boron, Sulfur, Urea, DAP and Zinc), were established to promote the improved productivity and economic advantages of using fertilizer and to introduce new and improved nutrients other than DAP and UREA.

A field day was organized on 29 Sep. 2013 in Amhara region at Ketema Yohannes and Kokit Kebeles in Metema Woreda for the Humera-1 seed multiplication and micronutrients fertilizer trail respectively to transfer the technology and experience share and to collect feedback and accordingly,

- There were 90 (75 male and 15 female) participants of which 75 (70 male and 5 female) were invited by AGP-AMDe and the rest by the woreda administration from woreda DOARD experts and DAs, AGP – FP, FCU/PCs and SHF.
- The seed multiplication of Humera-1 performance was quite different from the local one in:
 - a) Long and strong plant height
 - a) More pod number and length and more seed rate,
 - b) Early matures
 - c) Good resistance to moist soil condition.
- The fertilizer trial on micronutrients result comparing to non-treated and DAP/UREA plot was significantly higher and the participants were very pleased and ready to use the micronutrients and Humera-1 variety in the coming crop season.



M4 Assessment: During this quarter, M4 assessment is conducted as a tool to identify appropriate interventions based on the status and need of cooperative partners. The assessment covered 2 FCUs and 11 PCs in Tigray.

Preparation of sales plans: Four FCUs, TMF & Kafta Humera sesame producing cooperative had prepared plan to export 33,000 tons of sesame for the year 2013/14

Technical Assistance: Technical assistance on the already distributed 6 quintal of improved seed varieties purchased from Humera agriculture research center planted by selected farmers in coordination with office of agriculture. 140.25 hectare of Humera one seed variety was planted in five AGP Woredas. They are 8 ha. of Humera one variety was planted by SHF & 103 ha is planted by 3 commercial farmers in Metema woreda; 4 ha of Humera-1 was planted by one commercial farmer in Quara woreda; 1.5 ha. of humera-1 variety was planted by 3 SHF in Tach Arimachiho woreda; 18 ha. of Humera-1 variety was planted by 2 commercial farmers in west Arimachiho; 5.75 ha of humera-1 variety was planted by 12 SHF in Jawi woreda. AGP-AMDe providing ongoing technical assistance to these sites.

Access to Finance: AGP AMDe is working on linking of Sesame producer FCUs and KHSP&SC with CBE & COB and other financial institutions for access to loan based on a bankable business plan. In addition, the Regional CPA is working with the CBE and FCUs on loan guarantee to support sesame purchase in time, learning from the delay last year that they were not able to buy as much as they wanted to do so.

The FCUs are also working with their Board members to release some money from their account, so that they can be ready to purchase till they get loan from financial institutions and this will help them to buy at initial/first harvest period at a reasonable price.

Impact of outstanding loan and FCUs seat at ECX

- AGP-AMDe is discussing the issue of outstanding loan of fertilizer is a major constraint in getting loan from CBE, because NBE has unpaid loan restriction to resolve the issue to enable the FCUs to access loan.
- FCUs were not able to get a permanent seat at ECX due to tender procedures which want help them to compete with the exporters and ECX allocated 30 seats for FCUs only and sesame VC partner FCUs participated at the tender and all won and finalized the exam and other related procedures for the certificate.

Up Grading Investment to improve new technologies through innovation

- The APS grant application evaluation and support is at its final stage which will help the four FCUs who have received cost share grant for the four warehouse contraction for the

additional work for office, fences and guards house as well for respective sesame cleaning machines.

- The Tigray Agricultural Research Institute (TARI), Humera ARC and Gonder ARC have received grant and signed grant agreement for irrigation and lab equipment's, which will support research activates to produce new basic seed during off season, and therefore, contribute to increase productivity and production of quality sesame seeds.
- TMF have also secured grant for sesame cleaning machine with De stoner, gravity separator and color sorter on cost share basis and this will build their capacity of cleaning up to 99.8% purity as well free from other colors out of white sesame and finally the product can be exported to niche markets like Japan, US and Europe by increasing the export volume.

Sesame Value Chain Activities Tracker (July – September 2013)

Activity Description	Indicator and Unit	Planned Months of Implementation			July - Sept Actual	Reasons for Variation
		July	Aug	Sept		
IR 1: Improve the Competitiveness of Sesame Value Chain						
Marketing Systems and Practices Improved						
Conduct SMFM management training (gender focused leadership, record keeping, business planing and marketing) to cooperative leaders and staff	# of trainees				88% completed	
Conduct M4 assessment of the existing 4 FCU	# study				Completed	
Op1.2.2: Collaboration Between Stakeholders Facilitated and Established						
Facilitate and support timely collection of quality seed from SHF and PCs & commercial farmers based on the seed provided, cleaning , storage, packing and certification of the seed	# of farmers and operators				Completed	
Multi-stakeholder meeting facilitated twice a year in each region to update on project progress and ensure B2B connections	# of meeting				50% Completed	Overlap of programmes with field days and other seasonal activities
Op 1.2.4 Reliable Access to Improved Seed and Improved Technology/Inputs Expanded						
Seed producer FCUs/cooperatives, commercial farmers capacitated to manage input business units by introducing new farm machineries	# of institutions				Completed	
Establish demonstration sites in areas of the selected Sesame potential FCUs in collaboration with input team	#				Completed	

Chickpea Value Chain

Overview

AGP-AMDe, using the value chain approach, is aggressively working to sustainably reduce poverty and hunger by improving the productivity and competitiveness of the chickpea value chains which will offer jobs and income opportunities for rural households. During this quarter, remarkable results have been exhibited on seed popularization and commercialization by the small holder farmers under the existing FCU partners of Tsehay, Lume Adama and Becho woliso. The strategies designed to improving the competitiveness and increase in income and employment opportunities of the chickpea value chain will enable the value chain to increase competitiveness. Focusing on the market opportunities that exist in the chickpea value chain, AGP-AMDe also strive to implement activities with value chain actors in improving market intelligence and promote the competitive qualities of key chickpea exporters.

AGP-AMDe, as one major strategy has designed the introduction of new varieties of Chickpea to smallholder farmers through FCUs in 2012 production season and continued the intervention with the previous and newly targeted FCU for 2013 production season in order to address the impediments to the availability of improved seeds. Furthermore, focus on Kabuli for production improvements; exploring new market linkages including service providers to widen export potentials; supporting the unions and common interest groups to access finance and designing establishment of demonstration fields in newly targeted FCUs of Erer (Oromia), Wodera and Ghion in Amhara to efficiently address the seed expansion, are among the major strategies and activities of AGP-AMDe during the life of the project. The 2,500 MT chickpea export and the 20,000 small holder farmers who will be impacted with this intervention is expected to result in adoption of improved technologies by increased number of smallholder farmers that will receive different types of training..

Summary of Key Results

Chickpea improved seed impacts and adoption

- Impact of the chickpea activities in Dembia woreda is demonstrated from two chickpea farmer beneficiaries (male and female) that expressed their benefits from AGP-AMDe support of (i) production of 8 – 9 Qts of Chickpea from 0.25ha of own plot each and (ii)

earn about 10,500 – 12,000 birr from sale of their chickpea produce to the Union which at the end allowed them to make new houses and purchase new oxen.

- AGP-AMDe has supported newly added FCUs of Erer, Wodera and Ghion, with supply of 112.5 quintal of basic chickpea seed which was distributed to 291 smallholder farmers (17% are female)
- From the previous revolving seed grant in Tsehay, Becho Wolliso and Lume Adama FCUs, a total of 1,208 Qt. C2 Chickpea seed has been collected and distributed as rotational facility to a total number of 2,635 smallholder farmers.
- Due to the support of AGP-AMDe, Tsheay FCU has entered into a new seed business and supplied 1,982 Qt. to 11 seed producing institutes in Amhara region resulting in new value addition activities to the Union coupled with significant seed popularization to a wider area in the region.

Key Activities and Successes

Collaboration with partners on chickpea seed

- With a main objectives of increase Teff and chickpea productivity in a sustainable way, by maintaining soil fertility and reducing the rate of nitrogen fertilizer application, AGP-AMDe has collaborated with ATA to implement a pilot program on double cropping of Teff with Chickpea in 9 woredas under 6 FCUs in Oromia and Amhara regions. AGP-AMDe has supported the program with 100.5 Qts worth of 165,523.5 birr of basic seed in the current season.

Distribution of chickpea fliers and manual on best production and Agronomic practices

- During this quarter, of 8,234 fliers on chickpea agronomic practices have been distributed to 4 chickpea producing FCUs of Behco Wolliso, Lume Adama, Erer and Liben in Oromia region. Distribution to FCUs in Amhara will be covered during the coming month.
- Manual on best chickpea production management has also been published. Distribution to concerned stakeholders has been started and will be completed soon in coming month.

Multi stakeholder platform

- A MSP meeting this event 46 participants from 14 organizations have attended.
- Good practices with samples of chickpea flour by Guts Agro Industry have been presented

to the participants where all the participants could learn new things on value addition from the chickpea food processing industry.

- Chickpea seed intervention activities in Dembia under Tsehay FCU have been evaluated with the stakeholders, challenges and opportunities have been discussed and lessons have been learned.
- During the MSP in Gondar, Tsehay FCU has awarded certificate of appreciation for the support and close follow up by AGP-AMDe in the 2012 production period. It was a great achievement witnessed by Tsehay FCU for joining the seed supply business in a year's time.

Training

- Chickpea Agronomic Practices have been delivered to a total of 121 (23 female) participants (development agents, experts) for the woreda Agricultural offices, PCs under the 5 FCUs of Erer, Lume Adama, Becho wolliso, Wodera and Ghion in Oromia and Amhara regions.
- The main topics covered during the training include over view of Chickpea and its improvement in research; Technology promotion and Chickpea Seed system; and Chickpea management, disease & insect pest control. Training facilitators were from Debre Zeit Research Center.



*Chickpea Agronomic Practice training Participants:
Lume Adama – Oromia*

Market linkage

- There are continuous effort to link those chickpea suppliers from Lume and Erer FCUs in the previous seasons, the decision process being very slow with in the FCUs, has resulted in low performance with the market linkage activity. After a continuous effort and close follow up by the team, the FCUs now have come to a decision to sell their chickpea through a service provider.

- Thus, during the period, from a total of 830mt of Kabuli chickpea stored in both Erer and Lume Adama, samples have been taken by the chickpea and PHH team to determine the status of the chickpea. Results with recommendations and consultation have been provided to both FCUs for further protection of pests.
- Based on the team's suggestion. The FCUs has started to fumigate the chickpea by experts from EGTE and the cleaning process will follow by the coming weeks in order to make it ready for final export.
- Linking of the FCUs with the Export service provider will take place in the coming weeks as willingness to sell is already uttered by both Erer and Lume Adma FCUs



Preparing for Export - Kabuli Sample taken by AGP-AMDe and PHH specialist from Lume and Erer FCUs

Analysis of the chickpea Value chain

The seed interventions by AGP-AMDe on the chickpea value chain during the quarter directly resulted in significant impact to the smallholder farmers with increased income in the targeted FCUs of Tsehay, Lume Adama and Becho Wolliso. The two smallholder farmer's beneficiaries in Dembia woreda who were interviewed by the chickpea team can be taken exemplary for having an increased income after harvesting and sale of their chickpea produce at a price of 1350 birr/Qt.. These farmers have witnessed for increased income as a result of AGP-AMDe's seed support in the previous year and able to make new houses and purchase of new farm oxen. On the other hand, the commercialization of chickpea seed activity started by Tsehay FCU which is a new practice in the zone has shown significant impact on the chickpea value chain through creating income from sale of 1,982Qt. improved Kabuli seed to 11 (eleven) chickpea seed producing institutes in 6 zones of Amhara region. Tsehay FCU, apart from establishing new customers to purchase the seed, could also able to earn a net profit of birr 25/Qt. In general the overall seed intervention by AGP-AMDe in the chick pea value chain holds considerable promising potentials for the SHFs making their living out of it by creating a reliable seed market through their FCU. Since AGP-AMDe's interventions are designed to scale up these opportunities and maximize the benefits of the smallholder famers and other stakeholders along the value chain, will also aggressively strive to support:

- scaling up multiplication of improved varieties of both Desi and Kabuli types

- Strengthen export relationships with destination markets to increase volume and consistency of exports
- 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.

Challenges

- Unable to create timely market linkage between the chickpea buyers/service providers and FCUs because of delayed decision made by the FCU managements.
- Extended rain during the season which didn't allow farmers to have a timely planting.
- Unable to increase women farmers' participants in using improved seed (still it is below 20%). This is due to:-
 - the number being few as compared to male house hold heads in the selected distribution centers/Kebeles
 - Some of the female farmers are already benefited from the previous year's seed support program.
- However there were a continuous follow up with the Oromia regional, Zonal and woreda level offices of agricultural, seed enterprise, FCA representatives, the chickpea seed repayment could not be practical.
- Seed delivery from the rotational facility at Becho wolliso FCU is still slow and due to this, the seed couldn't be distributed to the next farmer beneficiaries timely.
- Less availability of Kabuli type chickpea as AGP-AMDee is bounded to work in few chickpea producing woredas. Some woredas who are highly potential in terms of production but didn't get the chance to be included in AGP Woredas.
- There are no best practices on market information delivery channels to disseminate timely market information to smallholder farmers.
- Domestic processing of chickpea is limited, with few recognized Ethiopian brands and no export of process products

Opportunities

- Possibility to adopt a targeted approach to building long-term relationships with buyers in major export destinations
- Increase exposure of chickpea-producing cooperatives, traders, and exporters in

international trade fairs, symposiums, and workshops

- Identify and realize value addition and agro-processing investment opportunities with larger and small scale level
- Being key accelerator of agricultural development and growth in Ethiopia, due to the crop's combination of benefits, including rich nutritional value, high income generation potential, and ability to convert atmospheric nitrogen into usable form to improve soil fertility.



Chickpea Intervention Improves Lives



W/ro Enana, chickpea seed beneficiary in Dembia woreda (N/Gondar) with her new corrugated roof



W/ro Chorqa with a new solar light and Calf (above) purchased with additional income from chickpea sales.

W/ro Enana Tigu, a Tsehay FCU member, recently renovated her family home, replacing the thatched roofing with corrugated metal. In the 2012/13 growing period, W/ro Enana was one of the 1,525 members of Tsehay (15% of whom were female) who has been able to improve their lives with an average additional income of 10,000 birr per capita from the chickpea seed intervention implemented by AGP-AMDe. The intervention provided Dembi woreda seed SHF beneficiaries with 501qtls of seed for a total additional income of 1,525,000 birr.

Ato Bizuayehu Checko was another beneficiary. Ato Bizuayehu harvested 9 qtls of Kabuli chickpea and earned 11,700 birr. Using his profits, Ato Bizuayehu was able to cover almost the entire purchase of two oxen. Both Ato Bizuayehu and W/ro Enana are in a contractual agreement with Tsehay FCU to undertake chickpea seed multiplication in the coming year and each of them have received 0.5 quintal basic seed to plant on .25ha plots of land.

In Becho woreda of Oromia, Chorqa Abdi also participated in the AGP-AMDe seed project. “As soon as I heard about the USAID AGP-AMDe chickpea seed intervention, I registered through my PC. I also recommended the program to my neighbors and two female farmers registered. We all benefitted from the intervention.” Chorqa, a widowed mother of seven, received 0.75qtls of chickpeas which she planted on a half hectare of land. Chorqa harvested 7qtls of quality chickpea seed and returned 0.75qtls of chickpea to the project so that other farmers benefit from the seeds. She reports that several of her neighbors have expressed interest in taking part in the project but lack access to the seeds. This seed intervention has allowed her to purchase a calf (700 birr) and solar light (800 birr) for her home. With the purchase of a solar light, Chorqa is able to limit burning firewood inside the house and her children can now extend the number of hours they study in the evenings. She expressed that the chickpea intervention has had an invaluable impact on her life and she encourages her FCU to work more closely with AGP-AMDe in order to provide the same benefits to farmers in her woreda.

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.

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Chickpea Activity Tracker July–September 2013)

Activity Number	Activity Description	Indicator and Unit	July-Sep. Quarter			Up to this Quarter			% achieved from the annual target	Remark
			Target	Achieved		Target	Achieved			
				Number	%		Number	%		
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 Adoption of new technologies										
	Facilitate distribution of seeds by existing FCUs to Provide for new SHF beneficiaries (30% women) + new supply of seed by the project	# of farmers	3697	2,926	79	3697	2,926	79		Evaluation on deliverables in line with seed collection activity will take place in current month.
	Assist in BP preparation and financial support for newly added 3 FCUs to distribute improved seed and improved PH handling materials (grainpro) to newly targeted SHFs (30% women)	# of farmers	300	484	161%	300	484	161%		Assessment on seed plantation status will be conducted in coming months
	Providing Training on Chickpea agronomic practices (seed multiplication) to DAs, Woreda Agriculture and cooperative office	# of trainees	120	121	101%	120	121	101%		
	Facilitate increased commercial storage capacity through	Storage capacity in MT	2500mt							Follow up on final approval of the Grant process for the

Activity Number	Activity Description	Indicator and Unit	July-Sep. Quarter			Up to this Quarter			% achieved from the annual target	Remark
			Target	Achieved		Target	Achieved			
				Number	%		Number	%		
	investments in strategic locations for 4 FCUs								construction of 2500mt of WH for Tsehay is underway	
Op 1.2.2	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	2	1	50%	1	1	50%	MSP meeting in Oromia moved to next quarter	

Honey Value Chain

Overview

The beekeeping industry provides an excellent opportunity to sustainably reduce poverty and hunger by creating employment and high value food, honey. Ethiopia is a large geography with honey flora diversity to produce a significant and stable supply of honey and honey by-products. To maximize this opportunity, the AGP-AMDe strategy for the honey value chain is to upgrade quality and quantity of honey production to meet demand for high quality table honey for domestic and international markets as well as promote other honey byproducts. In order to achieve this, AGP-AMDe, along with major stakeholders, works on quality and productivity improvement, promotion and market linkages. The major achievements of this past quarter in the honey value chain are the market linkages (especially with (Parodi Apicultura), training and technical support.

Summary of Key Results

- **Market Linkage and Sales:** In this quarter intensive support was given to the honey FCUs and processors linking them with domestic and international markets to increase the sales of honey and other bee products at Trade Shows. This included Zenbaba Union and Oromia Coffee Union, which is expanding into honey processing and marketing. The most significant achievement was converting an introduction at Gulfoods into a signed MOU for a partnership between Zenbaba (one of the largest honey producing FCUs) and one of the largest honey traders in the world (Parodi Apicultura). This partnership offers Zenbaba an excellent business building opportunity with sales of 1000 MT in the first year and a 30K Euro investment for Zenbaba to innovate production technology, which will improve quality as well as increase productivity. Lastly, a Honey VC multi-stakeholder meeting carried out jointly with GRAD strengthened linkages in the Amhara region.
- **Training and Capacity Building:** Sell More for More (SMFM) training of trainers was conducted with 59 participants (12 women) in Amhara, Oromia and Tigray regions. In addition, other training on beekeeping development, processing, packing and marketing to smallholder beekeepers was given to 47 beneficiaries (4 women) in SNNPR

Key Activities and Successes

Market Linkages

Zenbaba Union, the largest honey producing FCU, was linked to Parodi Apiculture, a top three honey buyer in the world, at the Gulfoods and this developed into a comprehensive partnership. This partnership offers Zenbaba an excellent business building opportunity with sales of 1000 MT in the first year and could potentially double or even triple the export market within the next three years. In addition, the partnership included a 30K Euro investment to help Zenbaba Union implement cutting edge production technology in a honey processing plant, which will be the first of its kind in Africa.



The Parodi Apicultura company representative signed an agreement with Zenbaba Union

Oromia Coffee Union is expanding to honey processing and marketing activities. The AGP-AMDe facilitated linkages with Beza Mar for local honey industry insight and expertise with equipment and linkages with export markets at the ApiMondia Trade Fair in the Ukraine. This included meetings with Parodi Apiculture, concluding with plans to proceed to a supply contract.

Kaffa FCU presented its product at the Bonga trade exhibition. The Union sold 1035 kg of honey for consumers. In addition, business linkages were conducted with exhibition participants.

Multi-stakeholder meeting held jointly with GRAD project at Bahir Dar for the Amhara region with 78 participants (7 women). The objective of this meeting was to discuss the challenges and opportunities of the honey industry nationally and in Amhara. The representatives included: Honey Coops, Ethiopian Apiculture Board, Ethiopian Honey and wax producer association, Research Centers, Bahir Dar University, Different NGOs, Livestock Agency, Cooperative promotion Agency, Queen rearing multiplication centers, Private operators and the Regional Apiculture Board.

Training & Capacity Building

- SMFM training was given for: Zenbaba union and its four PCUs (Agunta, Chora, Kokeb and Tana Zuria) in Amhara; Chilimo Forest Coop in Oromia; and Lemlem Wolkait Multipurpose Union in three woredas (Endamohoni, Ofela and Wolkait) in Tigray. The main objective of the training was to cascade beekeeping and quality honey production techniques, with focused on technical and business management. The beneficiaries were:
 - ✓ Thirty-eight cooperative board members and accountant
 - ✓ Twenty-two (5-females and 17 male) coop members, DAs and Woreda experts from Oromia
 - ✓ Nine (7 female & 2 male) in Tigray

- Other embedded services training on beekeeping development, processing, packing and marketing to smallholder beekeepers (females, males, and youth) was conducted at Bonga in SNNPR. The training participants were selected from 10 Agricultural Growth Program (AGP) targeted woredas, Kaffa and Bench Maji Honey Marketing Farmer Cooperatives Union that are currently working on honey value chain. A total of 47 participants (4 women) including one regional expert from Agricultural Development office attended the training.

Honey yield and stock assessment

A stock assessment was carried out in many primary coops to ensure sustainable quality product supply. Amhara, SNNPR and Tigray project areas have current stock and anticipated honey production to cover demand. Associated with Parodi's agreement Amhara AGP-AMDe carried out honey stock assessment in Zenbaba union member primary coops, depicted below:

Coop/Union	Volume
Agunta	700
Edget Chora	520
Kokeb	400
Yetanazuria Abeba	500
Biruh Tesfa	600
Maru Kemes Dembia	500
Addis Alem	500
Tsedey	600
Andinet	500
Lay Armachiho	600
Zenbaba (Total)	5,420 Quintals

- Kaffa FCU in SNNPR has more than 7 tons of unsold pure honey in the store and sold more than **1035 kg** of honey **and 210 Kg** of wax for **83K birr**.
- 22. 2 tons of crude honey was estimated to be harvested from thirty two primary cooperatives in Tigray region project woredas.

Technical Support

In all regions technical support has been given for FCUs, Coops, traders and exporters.

- Amhara AGP-AMDe assisted Zembaba FCU in the preparation of a business plan for installing honey processing machine and finance linkage for output marketing with Buna Bank.



Participants looking at improved beehive.

- Partners (representatives from Regional Apiculture Board, Regional Bureau of Agriculture, Hawassa Agricultural Research Center, Sodo Technology Center, Vocational Training Centers Coordination Office, Private Input Processors and ASPIRE project director) met to review the existing standards, design amendments and promote quality standards and market requirements for hives, honey and

wax. Transitional and modern hives made by the centers were displayed by Sodo Rural technology centers.

Analysis of Honey Value Chain

The past quarter was characterized globally by the fact that honey bees around the world are facing an uncertain future. Parasites and other maladies are causing a loss of brain activity of honey bees that ultimately contributes to low honey production level. This is an opportunity for countries such as Ethiopia which have high potential for organic honey and where the impact of diseases are not visible.

Opportunities

- Because of intensive application of chemicals and colony collapse disorder globally, the demand for Ethiopian natural honey on international market is increasing.
- The main value chain actors, such as associations and the government, collaborate now more than ever. This is a good opportunity to leverage synergy and efficient use of resources to improve honey value chain activities.

Constraints

- Rampant pesticide application, recurrent drought and deterioration of natural vegetation has reduced bee colony population.
- High domestic honey price and poor quality exerts negative impact on competitiveness in international market.
- The high price and inaccessibility of modern beekeeping equipment hinders wide application of improved technologies, which negatively impacts the production of quality honey.
- Inefficient honey marketing system and absence of well-organized Coops and FCUs are main challenges of the industry.



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SUCCESS STORY

A Golden Partnership for Ethiopia and its Honey



Santiago L. Herrero, CEO of Parodi Apicultura next to Mr. Sintayehu Mengistie, the manager of Zembaba Farmers Cooperative Union, Ethiopia’s largest Honey producing FCU.

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 story is made possible by the generous support of the American people through the U.S. Agency for International Development (USAID). The contents are the responsibility of ACDI/VOCA and do not necessarily reflect the views of USAID or the United States government.

Parodi Apicultura, is one of the three top honey buyers in the world, operating in many countries, including Argentina, Brazil, Chile, USA, Italy and the Ukraine. Parodi came to Africa exploring potential suppliers to offset the dramatic reduction from Argentina and enhance its position on the world market.

Parodi focused on Ethiopia because of the tremendous opportunity it presents for new honeys. AGP-AMDe facilitated an introduction between Zembaba Cooperative Union, the largest honey producing Cooperative Union in Ethiopia and Parodi at the Gulfoods trade show, which developed into a strong partnership. This partnership offers Zembaba an excellent business opportunity with sales of 500 MT in the first year and could double within the next three years. As part of this deal, Parodi will launch Ethiopian honey into new international markets including the US and Europe. In addition, the partnership included a 30K Euro equipment investment to help Zembaba Union implement cutting edge production technology in a honey processing plant, which will be the first of its kind in Africa. **“Because of the deal with Parodi, the Zembaba Union started to achieve our goal and objectives of why we were established in the first place”** said Mr. Sintayehu Mengistie, the manager of Zenbaba Union **“It helps Zembaba Union secure new technology, new financing and new export markets.”**

Parodi will also provide technical assistance, along with the AMDe team, on international standards. The AMDe team also provides technical support to the producers to establish modern beehives and training. Parodi has also committed to establishing a new company in Ethiopia to engage in honey exporting with Zembaba Union as a minority stakeholder.

Parodi Aipculture also plans on finalizing supplier contracts with other Ethiopian organizations, including Oromia Union, Green Coffee PLC, Beza Mar and others.

Parodi Apicultura has truly set the gold standard by which all future partnerships will be measured.

Wheat Value Chain

Overview

Currently, Ethiopia is the largest wheat producer in the Sub Saharan Africa countries with an annual production of over 3 million MT wheat on about 1.5 million hectares of land. Wheat is the 4th most important staple cereal crop in the country behind teff, maize and sorghum in terms of production. In Ethiopia wheat is generally grown in the altitudes ranging from 1500- 3200 masl with altitudes between 1900 – 2700 masl the most suitable. Wheat is grown in all four regions where AMDe operates. The wheat production volume share is estimated to be 59% in Oromia, 27% in Amhara, 9 % in SNNPR and about 5% in Tigray. It includes woredas that have better wheat production potential and focuses resources on FCUs and PCs to improve productivity, capacity development, technology introduction and market linkages to strengthen the competitiveness of the wheat value chain and benefit smallholder farmers.

The objective of AGP-AMDe wheat value chain remains focused on replacing the large quantity of imports that are required to meet the increasing demand for wheat based products in Ethiopia. The strategy aims at stimulating farmer cooperatives, agribusinesses, traders and processors within the value chain to work collaboratively and effectively respond to market signals as well as develop smallholder farmers' productivity and competitiveness in order to capture the profits gained in the shift from import to domestic sourcing. This strategy is aligned with the GOE's directive to prioritize the reduction of wheat imports by increasing on farm productivity through improved input delivery systems, availability of improved seeds, warehousing and logistics, access to credit and agronomy services.

Summary of Key Results

- **Training and Capacity Building:** Sell More for More (SMFM) training of trainers was delivered to 61 participants (1 woman) in SNNPR and SMFM. Input application training was cascaded to 1425 (263 women) farmers by lead farmers in SNNPR and Tigray.

- **Market Linkage and Sales:** Wheat seed popularization/multiplication initiative was successful in Tigray and with the Sikko Mendo FCU in Oromia.

A consultative meeting by AGP-AMDe for wheat output marketing agreement between Ethiopian Grain Trade Enterprise (EGTE) and five unions in Oromia region proceeded to the next steps to establish contractual agreements for the sale of bulk wheat and access to finance. In addition, post-harvest machine leasing discussion forum was also conducted between private machine leasers and four FCUs. 3 CIGs are working with SACCOS in Tigray to secure credit related to 129 MT of wheat grain for marketing. Four FCUs in Tigray and one association of commercial farmers were identified for the farm-machinery long term loan under DCA. 15 processors with 888 MT capacities were identified in collaboration with the regional trade and industry bureaus.



Consultative meeting at Shashemne on wheat marketing output

Key Activities and Successes

Training & Capacity Building

- In SNNPR: SMFM refresher training was given to 33 participants from the leadership of Edget FCU and 5 member PCs at Butajira. SMFM management training was given at Worabe to 28 participants from the management and supervisory committees of 4 member primary cooperatives of Melik Silte FCU. The topics covered were - Membership, Management, Market and Money.
- SMFM Input application training was given to 1210 (196 female) farmers by lead farmers through cascading in 3 AGP woredas covering 5 member primary cooperatives of Melik Silte FCU in SNNPR. Based on the trainings



SMFM Refresher training in Butajira

give to this farmers 348.15 hectares of land is covered by improved technology and practices like utilization of fertilizer and improved seed and application of row planting.

- 11 SMFM trainees cascaded to 215 farmers (67 women) in Tigray.
- An MOU was signed with 3 Amhara FCUs in collaboration of Regional, Zonal Cooperative promotion and Agriculture Bureau and Offices.



Market Linkages

- As part of the wheat seed popularization/multiplication initiative:
 - 68.68 quintals of improved basic wheat seed (called “Danda’a” or “Danphe” variety) was purchased and sown on 50 hectares of land of Sikko Mendo FCU in Oromia region. The union has sown altogether 89 hectares of land to partially meet the improved seed demand of the member farmers in the coming crop season.
 - 3 seed producer coops in Tigray have sown improved basic wheat seed on 81.875 hectares of land by the seed support of the project. There are 182-members of which 53 are women. In addition to that 3 commercial farmers and 58 small holder framers who have taken various trainings by our project have sown improved basic seed (Danphe variety) on 25 and 20. 375 hectares of land.
- A consultative meeting was organized in Shashmene by AGP AMDe for wheat output marketing agreement between Ethiopian Grain Trade Enterprise (EGTE) and five FCUs in Oromia (Agarfa Kajawa, Sikko Mendo, Raya Kajawa, Galema, Liben and Raya Wakena) proceeded to the next steps to establish contractual agreements between EGTE and producer FCUs for the sale of bulk wheat and access to finance. In addition, post-harvest machine leasing discussion forum was also conducted between private machine leasers and four FCUs.
- 3 CIGs with 50 members were identified to aggregate a total of 129 MT of wheat grain for marketing and are now working with SACCOS to secure credit.
- 15 processors with 888 MT capacities were identified in collaboration with the regional trade and industry bureaus.

- 4 FCUs and one association of commercial farmers were identified for the farm-machinery long term loan under DCA for 27 Tractors and different accessories.

Wheat Value Chain Analysis

Opportunities

- Favorable agro ecology to produce high yield per unit area.
- Some say, Ethiopia is the center of excellence for wheat in eastern African countries
- Growing market demand for wheat and wheat products in domestic and international markets
- The availability of high yielding newly released wheat seed varieties
- Good production practices of the SHFs and the commercial farmers to produce wheat.

Constraints

Ethiopia meets its domestic wheat demand by importing and supplying it to domestic processors at subsidized prices. At times, this subsidy creates an imbalance in the market as the imported wheat is offered at a lesser price than locally produced wheat, serving as a disincentive to local producers. Additional challenges include the following:

- Lack of warehouses and credit for some FCUs to collect more volume of wheat from SHF members.
- It is a staple food which is mainly grown for consumption with little marketable surplus.
- Poor access to finance to SHFs and commercial farmers to expand or start new ventures in the wheat production sector due to collateral requirements.



Wheat farmers scaling up new seed technology



Locally existing variety



Newly introduced variety



Model farmer, Ofga'a, in his farm

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.

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Ethiopian wheat growers have historically been restricted to growing wheat at high altitudes. But at a recent demonstration of the productivity of a new, lowland wheat variety introduced by AGP-AMDe, farmers of the Wayu Tuqa woreda in Oromia have had the opportunity to start growing wheat at lower altitudes.

The field demonstration showed the performance of the new wheat variety, called Jefferson, on 6 different 20mx20m plots of land. Impressed by the results shown, the over 300 farmers in attendance, among them Ato Ofga'a Debela, expressed their interest in testing the technology. Ato Ofga'a explained that Jefferson wheat matures earlier than highland wheat varieties, allowing Wayu Tuga farmers the opportunity to start growing wheat as a cash crop. He hopes that this technology will expand the profitability of agricultural ventures in the area by providing farmers of Wayu Tuga with the opportunity to apply crop rotation.

Despite enthusiasm from farmers of Wayu Tuqa, Morell Company, the seed company that had initially provided Jefferson seeds to Wollega farmers, was unable to supply growers with the seeds in the time promised. Undeterred, farmers multiplied the initial seeds provided, increasing the number of farmers planting the seeds in the 2013/14 growing season. Support for the project from key stakeholders like woreda agricultural offices, kebele development agents as well as AGP focal units will continue to be provided. More than 50 quintal of seed are expected to be distributed to farmers in the area for the coming growing season; this means more than 50 hectares of land will be covered by this new technology, benefiting more than 300 smallholder farmers.

Jefferson wheat is one of the high value hard wheat varieties used for the production of pasta, spaghetti or macaroni as opposed to the common bread wheat. AGP-AMDe supports market linkages with processors so that small holder farmers in the area will realize better price and incomes from their Jefferson wheat.

Maize Value Chain

Overview

Maize plays a crucial role in Ethiopian food security, providing approximately 20 percent of caloric intake. Ethiopia is the 5th largest producer of maize in Africa, and smallholder farmers grow 94 percent of the crop. These farmers lack access to markets and financing required to shift maize from informal, subsistence markets to more formal, value-added markets.

Ethiopians consume both green and dry maize, and local demand is high for both quality and quantity. Most Ethiopian farmers grow maize both as subsistence and a cash crop.

Productivity is low due to low national maize commercialization rates, approximately 20 to 30 percent, and low SHF productivity due to low input usage, shortage of hybrid maize seed supply, low quality of planting materials, limited crop rotation and a significant post-harvest loss of 15 to 30 percent of production. The market situation is worsened as most marketable surplus is sold within three to four months of harvest, when prices are lowest due to farmers' cash needs and risks associated with pest infestation and other storage losses are highest. (IFPRI; July 2012)

The major government initiatives in this sector are to increase productivity and production using improved technologies, reducing post harvests loses, adding value and improving commercialization of maize for a better livelihood for SHFs as well as all actors in the value chain, from seed supply to marketing. These are well aligned with the AGP-AMDe objectives of increasing productivity and commercialization, along with improving quality and reducing post-harvest losses to increase SHFs income. The strategies to achieve these objectives are to introduce new technology (the most important being the improved hybrid maize variety), the use of farm input technologies, adoption of improved post-harvest techniques to both SHF and commercial farms and private sector involvement in farm input supply services and technology rental services.

Summary of Key Results:

- **Training and Demonstration:** Two trainings were conducted that were attended by 61 participants. A number of hybrid maize variety demonstrations are conducted during this

season and field days are organized to effectively transfer the technology to maize growing farmers. In September 9 field days are organized and attended by 2,318 participant and farmers have already started to request the supply of the improved hybrid maize varieties (Limu, Shone and BH 661).

- **Market Linkages:** Last season, seven FCUs supplied 13,592 MT of white maize to WFP, meeting 94% of the annual target. These FCUs were able to successfully rent warehouses and cleaning facilities during the supply period. Twenty-nine FCUs (15 supported by AGP-AMDe) signed MOU to supply 40,000 MT to WFP in 2014.

Key Activities

Demonstration & Training

- In Amhara region in the selected six woredas AMSAP partnership program has trained 156 (15 female) farmers, development agents and extension workers.
- To popularize the use of maize variety seeds, AGP-AMDe in collaboration with several partners organized 3 training sessions with a total 104 experts and 194 farmers as well as 4 FCUs in Amhara region. Eight AMSAP field demonstrations were conducted (7 in Oromiya and 1 in SNNPR regions) with a total of 2,293 farmers in attendance across the 8 demonstrations. AGP-AMDe also facilitated 2 SMFM management trainings in SNNPR with a total of 61 board members. The AGP-AMDe also held five meetings and trainings with regards to post harvest handling throughout the quarter.
- In SNNPR successive field days of AMSAP demonstration at woreda level completed in three selected lead farmers plot. The performance of the lead farmers plots are good learning spots and used to demonstrate over thousand farmers. From the three AMSAP maize woredas of SNNPR (Decha, Enemor and Yem); Yem special woreda was used as regional level demonstration site. The green level demonstrations of Pioneer maize have attracted farmers to demand for the hybrid maize as a planting material for the coming crop season. The discussions on the spots were good teaching forum to share experience between farmers and appreciate the technology in terms of crop stand, cob size, tolerance in water stress and disease resistance. The partnership with development agents, woreda agriculture and woreda administration was productive. The result is unanimous demand of pioneer hybrid maize on time before February 2013.

- In Oromia, over 200 (22 female) smallholder farmers at Gutu Gida participated in the field day and visited three lead farmers' plots demonstrating Pioneer hybrid maize.
- In Digga woreda same green field day of maize variety PHB 30G19 attracted over 400 (45 females) smallholder farmers participated the field day and visited three lead farmers' plots at two Kebeles (Bikila,Diga Dedessa).
- Similar green field day of maize Variety PHB 30G19, Shone at Wayu Tuka woreda was attractive. About 173 (86 females) smallholder farmers participated the field day and visited two lead farmers' plots at different locations at Worebabo Migna Kebele.
- Promoting private hybrid high yielding varieties through AMSAP. Two Pioneer hybrid maize varieties in three AGP regions and 16 woredas on 320 lead farmers' plots are under demonstration. In two regions the woreda level demonstration are completed.
- For BH-661 popularization project Amhara region has trained 62 development agents and extension workers of which 5 are female experts. BH-661 hybrid maize seed and fertilizers are supplied to 72 lead farmers.
- 79 (12 females) farmers, 3 private Seed Company and 4 FCUs participated in popularization of BH-661Maize Variety. Input and training were provided for about 7 demos sites (one per woreda) were identified for sample farmers' field day.
- SMFM management training provided to 41 (2 female) board members and supervisory committee members of Sidama Elto FCU & 4 PCs in Yergalem, SNNPR.
- SMFM management training provided to 20 (2 female) board members and supervisory committee members of South Omo Union and 4 member PCs - especially the needs of the buyer in terms of quality and quantity as stated in the contractual agreement especially in relation to WFP maize purchase plan. The training was conducted at Jinka in SNNPR.
- AGP-AMDe visited Enemorna ener Woreda & Yem special woreda in SNNPR to supervise AMSAP demonstration performance.
- AMSAP field demonstration day conducted at YEM S.W and A total of 261 (40 female) farmers and 17 (1 female) Development Agents participated.
- Assessment conducted for South Omo and Oysa Dawro FCUs which showed their marketing capacity and the gaps which need further intervention of the project.

Market Linkages

- WFP for delivery of maize under P4P: During this quarter the maize supply from seven FCUs was completed and supplied a total of 13,592 MT for the full season, which is 94% of the final revised supply plan. There were constraints with post-harvest and seed cleaning facilities. Eleven partner organizations (MoA, ATA, WFP, USAID, FCA, CBE, TechnoServe, Sasakawa Global and the three regions cooperative bureau) signed an MOU for supply and delivery of white maize for P4P scheme in the coming 2014 crop season. The maize alliance group has 29 FCUs as suppliers of 40,000 MT to WFP. The FCUs, CBE and WFP also signed a tripartite agreement as main actors of B2B. From these FCUs 14 FCUs are under AGP AMDe assistance and agreed to supply the following 26,250 MT white maize.
- Facilitated:
 - 4 FCUs to undertake MOU with WFP to deliver 9,000MT Maize grain based on their contractual agreement
 - 3 FCUs signing MOU to prepare the Cascading Sell More For More (SMFM) Post-Harvest Handling (PHH) and input training to maintain Maize grain quality for WFP.
- Partnered with DuPont pioneer to provide training for 42 experts and 115 targeted farmers in 6 maize potential AGP woredas.
- Kick off meeting conducted with a participation of 19 (1 female) Sidama Elto FCU, 6 PC leaders, Zone and Woreda Agriculture and cooperative office as well as AGP focal persons, to create common understanding how to cascade Maize VC PHH and input trainings. The meeting was conducted at Yirgalem in SNNPR.
- Kick off meeting conducted with a participation of 11 South Omo FCU, PC leaders, Zone and Woreda Agriculture and cooperative office as well as AGP representative in Jinka, SNNPR.

Maize Value Chain Activity Tracker (July – 30 September 2013)

Component/Activity Number	Activity Description	Unit	Annual Target	July-Sep. 2013 Quarter		
				Target	Achieved	
					Number	%
IR 1.1 Seed technology transferred and scaling up of hybrid seed outreach to farmers increased	Popularization of BH-661 hybrid Maize variety on selected six maize potential AGP-woredas	# shf	104	104	111	100.6
	Training for AMSAP Maize beneficiaries	# shf	260	260	147	56.5
IR 1.3 Market linkages created and improved market systems and practices promoted	Facilitate Grain Maize supply on field for WFP from those FCU's who took the agreement/ pre condition and follow up ware house construction and signing of MOU for the next season	# FCUs	4	4	4	100
	M4 assessment for Admas FCU and its PCs	# of coop leaders	8	8	8	100
	Fulfill the Evaluation of the performance questionnaire / Data's from the 3FCU's/of FCUs in P4P	# of FCUs	3	3	3	100
	Conduct MOU signing for PHH and Input training in b/n Agriculture office, Cooperative office and FCUs. Facilitating FCUs to prepare Grant budget proposal and submitting it on time	# FCUs and PCs	3	3	3	100
IR 1.4 National and regional Multi stakeholders platform & learning workshops facilitated	Organize National MSP meetings to present work plan and discuss results and Invite stakeholders to Participating on Maize National level MSP at B/Dar	# of participants'	40	20	19	95
	Promote improved varieties of maize hybrid seed in partnership with DuPont Pioneer - Investing on demonstration sites (AMSAP program)	ATA, FCA/RCA DuPont Pioneer	60	60	60	100
	Deliver SMFM management training (gender focused leadership, record keeping, business planning and marketing) to cooperative leaders and staff	# of trainees		20	20	100

Input Supply

Overview

AGP-AMDe's interventions toward the expansion of the agricultural input supply system are a fundamental contribution to Ethiopia's goals of food security and becoming a middle income country. Increase use of fertilizer and access to quality seed is central to meet the Government of Ethiopia (GoE) Growth Transformation Plan (GTP) targets for crop production. The strategy, designed to implement input supply value chain for the year 2013/2014, is focused on rolling out and implementing market interventions that will respond to increase demand for quality seeds of superior varieties, multi-nutrient and briquetted form of fertilizer in collaboration with FCU and concerned public and private sectors in the AGP woredas.

Towards achieving the AGP-AMDe objectives one of the strategy focuses on technical support in quality seed production and in market development to cooperatives and commercial seed enterprises. There will be support on blended fertilizer through identification of specific nutrient deficiencies that correspond to value chain crops in specific agro ecologies and assist to increase product demand through knowledge enhancement of private seed companies, fertilizer blending FCUs, and agricultural entrepreneurs for eventual transfer to PCs and smallholder farmers.

Summary of Key Results

- 384.42 hectares of land was covered with improved seed and fertilizer technologies (including demonstration of Urea briquettes and multi nutrient fertilizer) for demonstration and seed multiplication purposes both on farmer's field, commercial producers and Farmer Training Centers (FTCs).
- 233 beneficiaries are supported through the seed multiplication activity in wheat and sesame value chains and demonstrations have continued on maize and chickpea value chains.
- 5 new technologies are under field demonstrations: 1 new fertilizer technology (multi nutrient fertilizer), 3 wheat varieties (Qeqeba, Digelu and shorima) and one sesame variety (Humera 1)

- 64 multi nutrient fertilizer demonstrations having 6 omission trials been conducted 16 in sesame and 48 in wheat crops.
- 27 organizations applied new fertilizer technologies through demonstrations of which 15 were on wheat and 12 on sesame value chain crops. (6 FCUS, 5 seed producers, 5 FTCs, 1 research center, 9 commercial farms and 1 state farm).
- In August, 74 people were given technical training on conducting sesame demonstration and seed multiplication to assist increasing productivity.

Key Activities and successes

During the 2013/2014 production year, the protocol for demonstration was revised to carry out omission demonstration to identify specific nutrient deficiencies that correspond to VC crops in specific agro ecologies. Currently the crop is at vegetative stage and it is too early to determine the treatment with the best yield performance but field observation and farmers opinions suggested that plot treated with all fertilizer (N P S Zn B Cu (All+Cu) .

Treatments tested in the demonstrations are:

- Treatment -1: DAP, Urea, Ammonium sulfate, Zinc sulfate and Borax
- Treatment -2: DAP, Urea, Zinc sulfate and Borax
- Treatment -3: DAP, Urea, Ammonium sulfate and Borax
- Treatment -4: DAP, Urea, Ammonium sulfate and Zinc sulfate
- Treatment -5: DAP and Urea
- Treatment -6: DAP, Urea, Ammonium sulfate, Zinc sulfate, Borax and Copper (Copper for wheat only)

Seed Multiplication and demonstration field days: Two Farmer field days were conducted on fertilizer briquette demonstrations and maize and sesame seed varieties in SNNPR and Amhara regions. Three hundred and ninety two farmers, regional agricultural experts, extension agents and local administrators highly appreciated the results on the field and asked for the sufficient supply of these newly demonstrated inputs for the next cropping season.



Sesame seed multiplication field day Amhara Region – Metema

Seed Multiplication: A total of 157 hectares on wheat and 220 ha (Amhara 140, Tigray 80) on sesame were under the seed multiplication program. This program has created a strong integration among seed producer's cooperatives, FCUs and ESE to collect the seed produced successfully. Based on the evaluation in last week of September all seed multiplication plots have better performance.

Field Visits: One field visit was organized AGP-AMDe CoP & IFDC ESAFD director, and for BOA, regional AGP-PCU managers to visit the ongoing omission fertilizer & briquette fertilizer demonstration in SNNPR and Oromia regions. All participants highly appreciated by the activities.



The AGP-AMDe CoP and IFDC-ESAFD Director with woreda Agri office head at Wenchi AGP Woreda demo site

Visit of USAID mission Director and other guests visited the Urea Super Granules (USG) and Multi-Nutrient Demonstrations that are being conducted at Gurura Baka FTC in Weliso AGP woreda on July 27, 2013. The officials extended their appreciation on the activity being carried out.

Participation at the National workshop: Participants in a workshop organized by the Ministry of Agriculture on soil mapping reviewed the 2012 micro-nutrient fertilizer demonstrations conducted by AMDe project appreciated the performance of these demonstrations.

Technical Assistance: Technical support was provided for the development and establishment of four fertilizer blending plants in selected FCUs. The tender for the procurement of equipment was floated for the Becho Woliso FCU.

Training and study tours:

- Staff attended an international training and study tour on Technology Advances in agricultural production and fertilization.
- 29 people were given short term technical training on seed multiplication to assist increasing productivity.
- 45 FCU members and woreda officials were given training on the importance of conducting demonstration.

Chickpea trails: 6 multi-nutrient fertilizer trials for chickpea is ready for planting.

Analysis of Input Supply

Challenges

- Blanket fertilizer recommendation & lack of fertilizer containing the important and essential plant nutrients
- Ineffective agri-input marketing system /input distribution, inadequate number of sale points in rural areas & low commissions for cooperatives to participate the cooperatives in the fertilizer business.
- Lack of access to credit for farmers to purchase agri-input resulting in inadequate use of yield-enhancing agricultural inputs
- Limited crop varieties & low quality of some improved seed

- Long- distance travel to purchase inputs particularly seed
- Unrealistic demand estimation for agri-inputs supply & lack of proper market information and promotion system.
- Poor post-harvest technologies
- Excessive rain causing water logging problem in some limited wheat producing areas (Ofla Woreda)
- Weed infestation

Opportunities

- The plan to establish blended fertilizer plants in four regions
- Soil mapping and analysis project will provide information to the blended fertilizer plants
- Relatively good season in most districts
- Support and collaboration by stakeholders

COMPONENT 2: ACCESS TO FINANCE AND INVESTMENT

Financial services are critical part of sustainable agricultural growth and therefore poverty reduction and food security in Ethiopia. Credit is used for investment to increase the productivity of agricultural operations or to diversify the economic activities of rural household. Saving products ensure safe and productive storage of money and ensure excess capital can be channeled to its most productive use. However, the availability of financial services in Ethiopia continue to be low due to limited demand and constrained supply. On the demand side, knowledge of how financial services work and their benefit is low, particularly amongst the small holder farmers and their respective cooperative unions. On the supply side, poor risk management mechanisms and poor linkages between institutions, high levels of government intervention and a lack of product innovation continue to constrain access. As a result, financial services are not available in places where farmers can easily access them at affordable costs.

Drawing from the AGP-AMDe's overall objective Access to Finance component seeks to address the systemic constraints through the following strategies:

- Create strong and lasting linkages between agricultural and financial sector actors to secure working capital and investment loan facility.
- Improve financial management capacity of agricultural actors
- Promote the expansion of leasing services leveraging the USAID DCA program
- Implement Community Warehouse Receipt pilot in four regions
- Introduce new financial products for example loan guarantees in collaboration with Buna Bank

The key targets and results for the life of the project are:

- Assist 21 FCUs in negotiating loans with financial institutions for working capital and project financing amounting to USD \$47.2 million
- 42 MSMEs will receive business development services in improving their capacity accessing financial services
- One alternative financial product was promoted among 4 FCUs

Summary of Key Activities

The access to finance activities focused on addressing agricultural risk and supporting FCUs and SMEs building the package for working capital and project financing needs they have, building on identified gaps such as:

1. Many FCUs were late in submitting their loan application to banks coupled with lack of understanding by the bank employees, the time sensitiveness of agricultural loan application
2. Continued high degree of business risk attached to agricultural value chain more so FCUs
3. Lack of financial management skills among many of the FCU & SME managers
4. An increased appetite for an agricultural equipment leasing service

Agriculture lending Risk mitigation workshop

Agricultural lending risk mitigation workshop training undertaken for two days at Adama for 42 participants from Oromia and SNNPR. The participants are mainly from five institutions:

Participant Institutions	Regions		Total
	Oromia	SNNPR	
Farmer cooperative unions	14	4	18
Commercial bank of Ethiopia	8	1	9
Cooperative bank of Oromia	9	0	9
microfinance institutions	0	1	1
Saving and Credit Associations	0	2	2
Cooperative agency	1	2	3
Total	32	10	42

Training participants discussed on the following major issues:

- Participants discussed that most agricultural contract lack enforcement mechanisms and this was another reason that banks fear to finance.
- Most FCUs credible financial history leading financial institutions to rely on collateral instead of lending on financial performance of agricultural transactions. However, the discussion helped banks to consider lending on a contract basis and case by case.

- Lack of agricultural insurance was identified as one of the reason for banks reluctance to lend to agribusinesses. Participants indicated that development practitioners to work on agriculture insurance both crop and livestock.
- Farmers need more financial services, not just credit for agricultural inputs and outputs that includes diversified portfolios.



The result of the workshop is:

- The training has created better understanding between financial institutions and farmers' cooperative unions on agriculture lending
- Participants have got clear understanding of credit request from banks including the pre and post credit activities. Filling and preparing proper check lists, producing business plan, fulfilling the needed documents on time, and making detail follow up of the credit.
- Bank experts have understood that there are immense improvements from FCUs side in being bankable.
- Both CBO and CBE agreed to expand their relationship and working with FCU in each respective districts. As a result, the following FCUs have created better understanding and work relationship with respective district banks:
 - o Siko-Mando, Raya Wakena, Galama, Agarafa-Kajewa, and Raya-Kajewa has created better understanding with Shashemene CBE district and agreed to keep and improve the existing relationship.
 - o Lume adam, and Errer, with Adma CBE district

- Melik, Ediget, Liben, Becho weliso, Robi Berga and Ambo with Addis Ababa districts
 - Haragu, Bore Bako and Chefe-buluk with Nekemte districts
 - Damota Welayita FCU with Welayita CBE districts
 - New dawero, and Sidama Elito with Hawassa districts
- Both the financial institutions and FCUs agreed in strengthening the WFP P4P maize purchase financing
 - CBE and CBO agreed in Working with wheat producing FCUS that have agreement /or those which will have agreement with buyer like EGET
 - Financial institutions have shown interest to go to FCU and help them in preparing documentations rather than waiting them at office.
 - Both the financial institutions and FCUs agreed to work hard on saving mobilizations so that loanable fund availability will increase
 - Financial institutions working in the AGP areas and areas where AGP AMD is working agreed to avoid unnecessary competition and rather to coordinate and help the value chain actors
 - All financial institutions working in the selected areas have presented their financial products to the participants with necessary steps to follow which created clear understanding for the value chain actors (FCUs) in preparing their documentation for credit request.
 - CBE and CBO clearly presented their criteria in financing agriculture and this has improved the understanding of FCUs leaders in requesting credit and fulfilling important procedures.

All participants have agreed in relationship building on preparation and availing of necessary documentation on time for the financial institutions and financial institutions also to look the request on time and help the FCU in achieving their credit request.

Working Capital & Project Financing Facilitation and Technical Assistance

In an effort to address one of the challenge identified above access to finance team has been actively working in supporting FCUs and SMEs in preparing loan application package that includes:

- Building business plan for project financing
- Preparing a simple cash flow forecast for working capital loan
- Securing financial audit from regional cooperative promotion agency
- Amending cooperative by-law allowing FCUs board members and managers to borrow loans both for working capital purposes and various business they are building

The following summary shows loan facilitation supported by Value Chain:

Sr no	Value Chain	FCUs	Amount of loan applied in ETB	Amount in \$ USD
1	Coffee	3	76.0	4.0
2	Maize	4	29.2	1.5
3	Honey	1	18.8	1.0
4	Wheat	2	33.7	1.8
5	Chickpea	2	30.8	1.6
6	Sesame	9	707.3	37.3
	Total	21	895.8	47.2

Linking Agricultural Leasing Intermediaries with four FCUs

One of the planned activity is introducing new financial products to value chain actors. Following this activity, we have been working in introducing leasing system for the FCUs and lease operators. On September 18, a round table meeting was conducted on lease operation process between selected FCUs (four), and lease operators (2) at Shashemene town of West Arsi Zone, Oromia Region. The participants included;

- Galam FCU /Bokoji
- Raya Wakena (Dodola)

- Siko-Mando (Bale-Robe)
- Agarfa Kajewa (Agarafa)
- WKS international agricultural equipment lessor
- Belew agricultural mechanization enterprise

The meeting was to create business relationship between FCUs and lease operators on agricultural mechanization particularly on combine harvester and tractor services. Totally 19 participants participated on the meeting;

- Farmers' cooperative agency representatives.....8
- Lease operator/owners2
- Cooperative agency experts4
- AGP AMD experts5

Leasing is of one the available strategies to increase agricultural mechanization to increase production and productivity by increasing efficiency and effectiveness per unit of measures. To this effect, USAID has helped the above two lease operators to get agricultural equipment through DCA guarantee program. After different leasing awareness creation events, four FCUS (Galama, raya-Wakena, Siko-Mand and Agarfa-Kajewa FCus) were selected to be beneficiaries of leasing services through a contract mechanism that locks in both price and services.

The contract has benefits for the FCUs and lease operators:

- It improves the traditional way of doing mechanization by introducing contractual agreements on lease services
- It stabilizes price and avoid 'ad hock 'price fluctuation and this will help farmers by avoiding unnecessary payments during the pick period of service need.
- It ensures job for the lease operators within the specified period of time and help them to plan properly their time, and other resources including the machine they have.

Accepting the above benefits, both the FCUs and lease operators agreed on the basic process to start the contractual lease services to the farmers (individual household farmers).

On the meeting day, both parties discussed the agreement document and agreed on the major issues. But FCUs raised some minor issues to be adjusted in the agreement document so that they will be in comfortable status to convince their member farmers.

As a follow up action, the following activities given to concerned bodies:

- To register their interested members for this arrangement and know the total hectares to be under this agreement
- To prepare agreement with their member farmers
- To clearly introduce the contractual documents for their member farmers
- Galama and raya Wakena to report on September 30 2013
- Siko-Mando and Agarfa-Kajewa to report on October 5 2013
- Adjust the agreement according to the farmers comments
- Prepare the equipment to mobilize to the identified working areas

AGP/AMD

- Keep pushing the agreement is signed and actual work started before October 15, 2013

Access to Finance: Activity Tracking Table

	Activity Description	Partners	Indicator and Unit	Quarterly Target	Actual	% Variance
IR 2: Increased access to finance for participants all along the value chain to enable increased						
Sub IR 2.1: Perceived risks of lending will be understood and mitigated.						
OP 2.1.1: Facilitated access to agricultural and rural bank loans for FCUs and MSMEs						
	Conduct 4 workshops that will focus on lending risk mitigation in which financial institutions will understand risk in agricultural lending.	FCUs, CBE, Abay Bank, Buna Bank, Bank of Abyssinia, Dashin Bank, CBO, NIB Bank, MFIs	No of participat	60	42	70%
	Assist /facilitate purchase contract maize and wheat value chain financing between FCUs, and processors.	7 Maize and 7 Wheat FCUs, Ambo FCU, CBE, Buna Bank and other private banks, Regional/Zonal BOA	No of agreements	15	4	27%
OP 2.1.2: Facilitated financial services provided through USG assisted financial intermediaries, including non-financial actors						
	Provide technical assistance to 52 FCUs and 33 SACCOs to improve their internal documentation, risk & financial management capacity enhancing their bankability and link them with financial institutions.	FCUs and SACCOs, Regional and Zonal SACCO experts, RUFIP Program, CBO	No of FCUs and SACCOs	21	0	0%
Sub IR 2.2: Financial institutions will have expanded their lending to selected value chains						
OP 2.2.1: Loans extended to VC actors as a result of AGP facilitation						
	Present deal pipeline at workshop on agricultural value chains for selected financial institutions resulting in 3 banks committed to working capital loans	CBE, CBO, Selected Private Banks (Dashen, BOA, Buna, NIB, Awash)	Number of Bank officials attending the workshop	44	0	0%
	Assist FCUs, Private Lease intermediaries, SACCOs in development of business plans for accessing working capital and project financing from lenders.	FCUs and SACCOs.	Number of Value Chain actors assisted (FCUs, SACCOS, etc)	0	10	
OP 2.2.2: Provided capacity building to banks MFIs, FCUs, and SACCOs						
	Develop business plan workbook/ develop financial guidelines for the targeted FCUs		document developed	1	0	
	Conduct gap analysis to understand the constraints of MFIs in saving mobilization and credit extension to SHF	6 MFIs, AMFI, NBE	Number of MFIs, NBE, AMFI	10	4	40%
	Provide technical assistance to SACCOs to expand their outreach and services to value chain actors (saving mobilization, women's participation, management and governance and performance, etc)	SACCOs, Regional/Zonal SACCO promotion bureau	No of SACCOS	13	3	23%
OP 2.2.3: Assisted MSMEs to access bank loans						
	Facilitate technical assistance to increase lending to VC actors including increased use of loan guarantee programs, like DCA of Agricultural equipment financing	Zemen Bank, BOA, Awash Bank, Dashen Bank, FCUs, Processors	No of VC actors supported	4	0	
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: New financial products and services developed and introduced						
	Promote leasing product to banks, MFIs and SACCOs and FCUs	Agricultural Mechanization Ltd, two private leasing intermediaries, FaBS, USAID DCA Program, FCUs	Number of Organizations linked with DCA facilities	4	6	150%
	Support FCUs and private leasing operators in accessing the DCA program from the participant banks	Agricultural Mechanization Ltd, private leasing intermediaries, FaBS, USAID DCA Program, FCUs, Zemen Bank, BOA, Dashen Bank, Awash Bank	No. of FCUs and private operators supported	3	0	
	Link two leasing intermediaries with selected wheat and Sesame value chain farmers	FCUs in wheat VC, Two Private leasing intermediaries, Agricultural Mechanization Ltd.	Number of farmers benefiting from the leasing service	4	4	100%
	Provide support to facilitate increased access to finance and savings through mobile technology in rural areas	ATA, CBO, MFIs, NBE	# of newly banked farmers	0		
	Community warehouse system developed and implemented at pilot level	ATA, FCUs, ECX, RCA, CBO, MFIs and SACCOs	no of regions/FCUs	4	1	25%
Total - Access to Finance						

Investment

The AMDe team has been working on investment instruments to facilitate foreign private equity investments into priority value chains in Ethiopia. Thus far we developed a pipeline of over 25 equity-eligible companies along value chains, and have developed profiles on 11 companies and 12 opportunities. The team successfully facilitated an angel investment into Metad Agriculture Development PLC, and is now in discussions with a Norwegian-based private equity fund on a second-round investment. The PE team has also begun working with GUTS Agro Industries PLC to help them secure an equity investment to expand their chickpea-based product line.

The PE project is showing signs of growth driven by increase interest from foreign private equity investors and greater demand from local companies seeking expansion capital. If expanded, the program would be able to assess more opportunities and provide greater post-investment support to portfolio companies in order for them to become well-positioned for larger tranches of second-round financing.

Investment identification: Developed short investment profiles (1/2 page opportunity overviews - business, market, management, investment needs, projected IRR (NPV with discount rate) for qualified opportunities. These profiles will be “floated” out to a network of potential investors (funds, HNWIs, foundations, etc.)

Pre-investment support: Gathered documents on pre-qualified opportunities including soft copies of investment documents (feasibility study, excel file, audited statements, management CVs, corporate documents) and save in the appropriate dataroom; Conducted angle investor trips to meet potential investee, hosted and manage with impact funds; Developed a model structure and terms for foreign private equity investments; Conducted full due diligence, and developed Confidential Information Memorandums (CIM) for the investors

Closed investment: Closed an investment in a value chain company (see below)

Summary of Key Results

Press Release: Members of the East Coast Impact Angel Network (EIAN), part of RENEW’s Global Impact Angel Network, closed an investment into METAD, an Ethiopian specialty coffee company on September 30, 2013. The investment will be used to establish a coffee processing

facility on the METAD coffee farm, located near Yirgacheffe in the district of Hambela in the Oromia region of Ethiopia. With a vision for crop-to-cup coffee, METAD aims to not only strengthen Ethiopia's coffee reputation in the international market, but also help local farmers improve the quality and value of their harvested crop. Anticipated social impacts include 30 new full-time employees and over 160 part-time employees, 70% of whom will be women, and support to over 400 local out-grower farmers.

Members of the EIAN will return to Ethiopia in November 2013 to meet with the board and celebrate the investment at METAD's coffee quality laboratory, the first privately owned laboratory in Africa to be certified by the Specialty Coffee Association of America (SCAA). Dr. Andrew Umhau, a member of the EIAN who had the opportunity to visit the Yiracheffe region on a trip to Ethiopia in June, is excited about several aspects of the investment. "We all experience coffee from the consumer end, so this investment in Ethiopian specialty coffee has natural appeal. Many of us had the opportunity to experience the entire coffee supply chain first hand in Ethiopia—from coffee bush to macchiato. The Oromia region where the coffee facility is to be located is breathtakingly gorgeous and the local population, who is expected to benefit from this economic activity, is most compelling. The METAD management team understands coffee in Ethiopia, so we have great confidence in this venture."

Key Activities

- Developed investment pipeline
- Contacted investors
- Hosted investors and coordinated investment trips
- Closed an investment into a specialty coffee farm

Analysis

Driven by the high costs of pre-investment consulting services and transaction costs associated with closing investments in Ethiopia. Further training needs to be done for:

- Local lawyers on modern legal terms and structures;
- Local BDS providers on how to help clients (companies) approach equity investors – specifically how to write quality business plans, financial models, market research, and due diligence

- Government offices on how to understand basic investment terms, servicing foreign investors, understanding the overall investment process, and the basics of private equity and how it differs from traditional foreign direct investment and/or joint ventures

COMPONENT 3: IMPROVING AGRI-BUSINESS ENABLING ENVIRONMENT

Overview

The AGP-AMDe's enabling environment component compliments value chain specific and cross-cutting activities by advancing policy priorities which increase competitiveness in support of the Government of Ethiopia's (GoE) Growth and Transformation Plan (GTP) targets for agricultural growth and GoE policy commitments under the G-8 New Alliance.

The enabling environment component goal is to increase competitiveness through the following initiatives: increased private sector participation; reduction of output market distortions; promotion of agricultural finance and investment; increased efficiencies in transportation and logistics; strengthened institutional structure for policy review and implementation; and greater public and private sector engagement relevant to value chain policy reviews.

Summary of Key Results

A critical first step in policy change is changing the mind set of major stakeholders in the policy making environment. Through informal individual consultations and analytical works, AGP-AMDe has focused on the following policy issues in this quarter:

- assessment of implications of the new Ethiopia seed law
- developing a comprehensive fertilizer procurement and distribution strategy to improve the efficiency of the fertilizer supply chains
- the impact of lack of finance for the small commercial farmers
- support for increased efficiency and autonomy of the ECX warehouse system from the ECX trading platform
- support of increased private sector participation in fertilizer distribution
- Initiated on critical elements of price policy for maize and wheat

Key results for this quarter include the following:

- Completed a rapid assessment of the new Seed Proclamation and initiated work on a comparative analysis of the new Seed Proclamation and Draft Regulations
- Commenced work on developing a comprehensive fertilizer procurement and distribution strategy to improve the efficiency of the fertilizer supply chains

- Provided guidance to Federal Cooperative Agency (FCA) through a major paper on the potential role of FCA in credit provision
- Provided a guidance paper on the extent of a bumper cereals crop impact on cereals prices and measures to mitigate that impact
- Completed a major focus group report on international best practices in multi-purpose cooperatives and RUSSACO's in provision of credit to small commercial farmers
- Completed a set of focus group field studies and a report to further document the impact of lack of finance on farmer use of fertilizer and the operations of successful multi-purpose cooperatives and RUSSACO's in reaching the small commercial farmer.

Key Activities

The following enabling environment activities have been undertaken during this quarter.

Continued Implementing USAID- ECX MOU

AGP-AMDe continued to work on implementing the USAID-ECX MOU. The MOU identifies areas of collaboration between ECX and AGP-AMDe with an overall objective of improving the ECX system to better benefit smallholder farmers in Ethiopia. The MOU covers sustainable and traceable coffee, Q lab certification, advocacy for policy change for a third party warehouse and grading system and warehouse efficiency. Implementation of activities under the MOU is expected to bring efficiency to the ECX system as a whole and a number of policy changes for the Ethiopian coffee industry in particular. During this quarter, AGP-AMDe worked with ECX to develop an analysis which includes the layout of steps involved in divesting warehouse operations from ECX, first to a new government entity and then over time integrating private sector warehouse management into exchange-based systems. At the same time the analysis lays out the potential for increased investment into warehouse structures (both private sector and government investment) which will be essential to improve efficiencies, reduce costs and handle increasing volumes of commodities as well as new commodities.

AGP- AMDe also supported ECX in investigating the options available to create a traceable system within its own warehouse delivery structures. ECX has been investigating options for setting up a traceability system, which will also incorporate traceability downstream and upstream of their operations, which the private sector will be able to use to market and export traceable coffee first, and eventually sesame. AGP-AMDe is supporting a pilot for a digital traceability system for ECX. In the last quarter, AGP-AMDe developed a Request for Proposals (RFP) to

design and implement a cost effective traceable system which ECX could install which also meets the needs of the industry. The RFP has been released this quarter and eight companies have expressed interest. Evaluation of the bids has begun and the selection of the winning bid and contract is expected to be completed in the next quarter.

Assessment of Implications of the New Seed Law

In year three, AGP-AMDe planned to undertake two activities to assess the new seed law adopted by the Government of Ethiopia in February 2013 and the draft Seed Regulations. The first activity assessed how the new law is addressing identified constraints under the old system and develops recommendations for improvement of the seed system. The second assessment is an international comparative analysis of the new seed law with international best practices for private sector engagement in the seed sector.

In this quarter, a rapid assessment of the New Proclamation on Seed was completed and presented to USAID. This assessment reviewed the implications of the new Proclamation on Seed and the Draft Seed Regulations on seed demand, production and the distribution systems for the Government of Ethiopia, the Ethiopian private sector and the international private sector. A copy of the AGP-AMDe Assessment of the New Seed Proclamation is attached to this quarterly report.

In this quarter, AGP-AMDe also commenced work on an international comparative analysis of the new Ethiopian seed law to assess whether the regulatory framework creates an enabling policy environment for the private sector to meet market demands for seed.

In the past few years, Ethiopia has seen a growth in private sector participation in seed production, new and improved varieties and technologies, and innovations in direct marketing which have resulted in an unprecedented increase in the supply of certified seeds.

Nevertheless, a majority of farmers are still not accessing improved varieties which could significantly increase their agricultural productivity. In accordance with the GoE's commitment under the G-8 New Alliance to improve the Ethiopian seed system, a new Seed Proclamation was adopted in February 2013. The Seed Proclamation will be further elaborated by the draft Seed Regulations as well as directives to be issued by the Ministry of Agriculture. The draft Seed Regulation is in an advanced stage and is expected to be passed by the Council of Ministers within the next couple of few months. AGP-AMDe, is undertaking an in-depth

international comparative analysis of the new Seed Proclamation and the Draft Seed Regulations. The analysis compares and contrasts the new Ethiopian seed regulations with regulatory best practices from other countries to assess to what extent the new seed law creates a policy environment that enables the private sector to generate and meet market demands for seed. This assessment report is in progress and will be completed in next quarter and presented to key stakeholders.

Creating a Competitive Fertilizer Distribution System

AGP-AMDe conducted a more detailed analysis of international best practices which demonstrated that the monopoly position of cooperatives in fertilizer distribution in Ethiopia was detrimental not only to achieving the government's target for growth in fertilizer but also gradually turning cooperatives into business entities. AGP-AMDe further determined that bringing a large number of efficient grain traders back into fertilizer distribution would expand coverage, accelerate the growth rate, and spotlight where the cooperatives were deficient so that remedial action could be taken to strengthen the cooperatives. Grain traders had been barred from obtaining licenses to distribute fertilizer. After considerable careful effort, in an area of political economy complexity understanding and consensus was built through two major conferences and the federal government stated publicly that there was no Government policy or law that prohibits private sector for engaging in fertilizer distribution. However, each regional government in turn has to make the same decision before traders can get licenses. In line with this, AGP-AMDe pursued discussions with federal and the Oromia regional government. It was agreed that follow up discussions are necessary to reach consensus for pilots in few AGP woredas before opening up to a national level. The situation has become far more complex with a big push for blended fertilizers and hence a change in supply source for the private sector.

AGP-AMDe is pursuing the commitment by the Oromia regional government to pilot 10 traders. AGP-AMDe is also pursuing, in coordination with ATA, on a fertilizer blending project and the possibility of working with select cooperative unions in supplying blended fertilizer to the private sector.

Price Policy for Cereals including Wheat Subsidies and Cereal Export Bans

The Government of Ethiopia is subsidizing imported wheat and capping prices on local bakeries and flour millers to mitigate rising food prices. The government subsidizes a monthly ration of

wheat to low-income urban dwellers and sells significantly subsidized imported wheat to large bakeries producing bread for the domestic market. The subsidy creates an imbalance in the market as the imported wheat is offered at a lower price than locally produced wheat. The imbalance in market prices is by some believed to undercut the local producers' market and create a disincentive for investment in local production. During this quarter, AGP-AMDe has begun examining the impact of subsidized, imported wheat on the production, processing and supply of wheat flour and develop appropriate recommendations.

The export restrictions on maize and wheat in Ethiopia, in place since 2007, are motivated by food security concerns. Export restrictions are a fairly common measure to safeguard national food stock. However, impact export restrictions on the maize and wheat market and the growth of the sector in Ethiopia is not thoroughly studied and documented. The assessment, conducted by AGP-AMDe, found that the improvement of distribution channels to underserved areas were more effective than blanket export bans.

In a similar fashion, the AGP-AMDe assessment of the impact of export restrictions of maize and wheat in Ethiopia will consider how the ban is affecting the market for wheat and maize value chains and the growth of the sector. Although it is not one of the 8 priority policy agendas for the GoE, the GoE has committed to not impose export quotas on commercial farm output and processed goods. The findings and recommendations from this assessment will help stimulate a policy discussion on the issue of export restrictions of wheat and maize within the G8 New Alliance framework as well as inform the development of a more predictable and transparent guidelines for introduction and/or lifting of export restrictions.

The first step in having impact in the price policy for cereals is to prepare a major paper that contributes new ideas to the discussion of price policy. The innovative feature is documenting the income multipliers from the small commercial farmers to the rural non-farm population and then documenting the very different income elasticities of demand. The preliminary effort is to demonstrate very large increase in cereals consumption driven by the increase in income to the small commercial farmers due to increasing production of cereals.

In parallel, in light of the bumper harvest projected for 2013 harvest, AGP-AMDe has developed a policy brief on the price situation and means of addressing the nascent price problem in connection with an expected bumper crop of cereals at the major harvest in 2013.

Developing a comprehensive fertilizer procurement and distribution strategy to improve the efficiency of the fertilizer supply chain

Since 2008, the execution of the fertilizer importation process has been carried out exclusively by the government-owned Agricultural Inputs Supply Enterprise (AISE). AISE floats a tender for fertilizer procurement a couple times per year. International fertilizer suppliers bid on the tender, and AISE chooses the lowest cost supplier. The international fertilizer supplier is responsible for delivering the fertilizer to the port of Djibouti bagged and loaded in trucks. AISE then transports the fertilizer from the port of Djibouti to central warehouses. Cooperative unions transport the fertilizer from the central warehouses to their primary cooperatives. Primary cooperatives then act as the fertilizer retailer for smallholder farmers.

There are significant opportunities for improvement across the entire value chain from procurement to final delivery to smallholder farmers. For example, Fertilizer Weekly estimates the average costs of shipping fertilizer at \$95/MT. During the 2011/2012 fertilizer procurement period, Ethiopia paid an average of \$113/MT above the world price for DAP and \$100/MT above the world price for Urea. Therefore, compared to the expected shipping cost of \$95/MT, Ethiopia overpaid by ~\$10.0M for DAP and ~\$1.5M for Urea. The Ethiopian Shipping and Logistics Services Enterprise (ESLSE) is procuring four new ships for bulk shipment, which could be used for fertilizer transportation. Purchasing fertilizer FOB origin and having either ESLSE or a third party provide shipping services may be cheaper than the current system.

Additionally, the port of Djibouti is becoming more congested as traffic to the port increases. Port Djibouti has 12 berths, but only two are allocated to bulk cargo unloading. Given the scale of Ethiopia's fertilizer purchases and the unloading capacities of the port, it takes significant time to unload all the fertilizer. Time needed to clear the port of Djibouti will only increase as Ethiopia's international trade and fertilizer purchases continue to grow. Using alternative ports could result in speedier port clearance and shorter domestic transportation routes for regions far from Djibouti.

In addition, organizing a more efficient logistics system for domestic distribution and transportation could lead to significant saving. The purpose of this study is to analyze both these cost saving opportunities and others in creating a streamlined and efficient fertilizer value chain for Ethiopia.

In this quarter, AGP-AMDe has begun working on meeting with key stakeholders, including ATA, AISE, Ethiopian Maritime Affairs Authority, Ethiopian Shipping and Logistics Services Enterprise (ESLSE), Ministry of Transport, and Federal Road Transport Authority to gain understating of the existing fertilizer procurement, shipping and distribution.

Provision of a National Agricultural Finance Institution to Meet the Needs of the Small Commercial Farmer

The Federal Cooperative Agency (FCA) has asked AGP-AMDe to help them as they search for an appropriate balance between multi-purpose cooperatives and Rural Saving and Credit Association (RUSSACO)'s in provision of credit. AGP-AMDe has drawn on international experience to bring four points to the attention of FCA management. First, the target for achieving the Governments growth objectives must be the small commercial farmers, those with 1 to 5 hectares of land producing 75 percent of the output. These are the farmers being constrained in growth by lack of finances. Second, the single most important problem by far for interventions serving the SCF's finance needs is obtaining on time repayment. AGP-AMDe has discussed many approaches from international experience for solving this problem. Third, the single most important requirement for profitability is to achieve sufficient scale to carry the essential overheads. Fourth, as demonstrated by RUSSACO's heavy input from women, women are key to high repayment rates. AGP-AMDe has emphasized these points in discussions and in the FCA Senior Staff meeting held on 19 September 2013.

AGP-AMDe recommendations on the roles of multi-purpose cooperatives in provision of credit are also drawn from the field assessment on cooperative based credit for agricultural finance that was undertaken by AGP-AMDe in this quarter. AGP-AMDe Field Assessment on Cooperative Based Credit for Agricultural Finance Report is annexed to this quarterly report.

Analysis of the Enabling Environment

Ethiopia is unusual among developing countries (particularly compared to the appropriate comparator for Ethiopia of Asian and Latin American countries) in: (a) lacking a competitive fertilizer distribution system with a strong private sector of experienced traders; (b) almost complete lack of access to credit by the small commercial farmer (1-5 hectares producing 80 percent of the output); (c) lack of a national body for the coffee sector to ensure adequate financing, setting priorities and implementing these priorities with major impact on cost of production and prices to farmers.

A bumper harvest is projected for 2013 major harvest. As a result, Ethiopia may want to reconsider its export restriction on cereals and encourage regional wheat and maize trade.

AGP-AMDe is succeeding in bringing these differences to the attention of policy makers, increasing their capacity to deal with such issues, and working with them to ameliorate the situation. The problems are similar in the seed sector to those of other countries and AGP-AMDe is working on international best practices as a complement to ATA efforts.

COMPONENT 4: GRANTS TO STIMULATE INNOVATION AND INVESTMENT

Overview

The Innovation Fund is a key resource available to the AGP-AMDe project to facilitate investments in a broad range of competitiveness-enhancing activities, with specific focus placed on innovative approaches and technologies. The grants team works in constant collaboration with the other three components to identify the most appropriate sectors, value chain entry points and collaborating partners for innovative grants. Emphasis is made to initiating and delivery of foundation grants as 'smart subsidies' to establish a strong base for investments and sustainability.

From the \$14,000,000 the Innovation Fund has awarded 38 grants worth a total of \$3,782,596, of which \$2,062,699 has been spent to date. In this quarter, 16 new grants worth a total of \$1,605,589 were signed. In addition, grants amounting to \$2,718,908 are awaiting approval, and grants amounting \$4,299,821, are in the grant team's evaluation and assessment pipelines. Therefore, deducting the total of grants awarded, spent and in evaluation pipeline to date from the total \$14,000,000 innovation fund leaves about \$3 million dollars for strategic grants yet to be identified in collaboration with key stakeholders in Ethiopia

The innovative activities funded by AGP-AMDe grants will lead to expansion of service networks for farmers which will result in access to new resources and information, and subsequently adoption of new technologies. It will also lead to changes in processes and mindsets of project partners with built in components for sustainability of the initiatives beyond funding periods. Throughout this quarter, significant progress was made to finalize and sign grant agreements from the pipeline of proposals that were collected through the APS process and other strategic and planned support needs. In this quarter the grant team continued, together with technical and value chain leads, to prioritize grant processing timelines and identified top priorities either due to seasonal necessity, partner collaboration, or the strength of the proposal.

Analysis

Detailed analysis of amount of grants awarded in the last quarter and ongoing grants with the summary of grant purposes by each value chain is presented below. Additionally, the support to agricultural research centers is also presented separately since the output of the support cuts across all the crop value chains.

Chickpea

Lume Adama has now fulfilled their commitment to distribute improved chickpea seeds to farmers, and the final activity report is pending for the last milestone payment. As a result of this activity, along with similar grants issued to Becho and Tsehay FCUs, these three strategic chickpea producing coops will engage in quality seed production in following years. The best performing FCU, Tsehay, also qualified with their performance for the investment in high-end processing facilities and was awarded a \$ 222,222 grant to improve their competitiveness in the export market of chickpea and sesame. In conjunction with this effort, irrigation and lab equipment was awarded to the Federal EIAR and Arari research centers to ensure increased production of foundation chickpea seed, necessary to support seed producers such as the above mentioned FCUs.

Awarded and Ongoing Chickpea Grants (USD)

Grantee Name	Status	Amount Awarded	Paid	Cost Share	Region	Summary of Grant
Lume Adama FCU	Ongoing	6,629	6,500	27,778	Oromia	Purchase and grain (1.5 MT of grain from seed activity)
Tsehay FCU	Newly Awarded	111,111	0	385,861	Amhara	Warehouse, Cleaning Machine, Gravity Separator
Total		117,740	6,500	413,639		

Coffee

The coffee value chain targeted investments aimed towards the improved and increased production capacity of seedlings of improved coffee varieties. Three strategically positioned PCs (Bufeta Gibe, Atnago and Andode PCs) in Oromia have been awarded grants for seedling production and marketing, and have collected second milestone payments following completion of deliverables. These PCs are expected to produce and distribute 1,000,000 coffee seedlings each for the next planting season and are expected to be reliable source of quality seedlings in years to come, filling the currently existing need gap for critical inputs. The seedlings will be provided to private growers or households, PC members and commercial farmers.

Yirgacheffe FCU and Kaffa Forest Coffee FCU have similarly received grant for the purpose of producing over 600,000 improved varieties of coffee seedlings which is also geared to generate income and employment for local youth and women CIGs, building on AGP efforts on the ground. The grant in all cases will be used for the purchase of improved coffee seeds, materials and tools for the production, including shade construction, and up keep of the seedling sites. These grantees are expected to increase production and supply Limu II variety seedling in the area and thereby increase the quality and quantity of exported standard coffee. Through the grants, the FCUs will be able to supply an improved quantity and variety of coffee seedlings to member farmers, produce quality coffee and create new markets and/or meet demand of the international and local buyers. The improved varieties will also help coffee farmers earn a better premium.

Additionally, the EIAR and ECEA have signed grant agreements in the quarter. Grant support was provided to the Federal EIAR research centers for irrigation and lab equipment to produce improved coffee seeds which will ensure reliable supply of inputs for the seedling production under above mentioned coops and FCUs. The Ethiopian Coffee Exporters Association was awarded a grant for the preparation of the second international Ethiopian Coffee Export Conference which will result in critical market linkages and 'pull' for the entire industry.

Awarded and Ongoing Coffee Grants (USD)

Grantee Name	Status	Amount Awarded	Paid	Cost Share	Region	Summary of Grant
ECX	Completed	13,444	13,444	29,699	Addis	ECX-cooperative 2nd annual forum
Andode PC	Ongoing	49,221	17,227	34,954	Oromia	Seedling production (1,000,000)
Atnago PC	Ongoing	49,221	17,227	34,954	Oromia	Seedling production (1,000,000)
Bufeta Gibe PC	Ongoing	49,221	17,227	34,954	Oromia	Seedling production (1,000,000)
Kaffa Forest	Ongoing	13,453	12,108	10,863	SNNPR	Seedling production (400,000)
Yirgachaffe FCU	Ongoing	11,944	4,861	16,278	SNNPR	Seedling production (600,000)
Ethiopian Coffee Exporters Association (ECEA)	Newly Awarded	40,180	0	39,605	Addis	Second International Ethiopian Coffee Export Conference
Total		226,684	82,094	201,307		

Honey

Payment was made to Kaffa Forest Bee FCU to construct a honey processing center which will improve their capacity to transparently source more honey from small bee keepers and sell higher value, processed product in the local markets. Meanwhile, an agreement has been signed with Beza Mar, a leading private sector honey industry stakeholder, which will support the development of demonstration sites and honey processing and technology center leading to creation of organized markets and availability of high yielding, modern hives for small bee keepers.

Awarded and Ongoing Honey Grants (USD)

Grantee Name	Status	Amount Awarded	Paid	Cost Share	Region	Summary of Grant
Kaffa Forest Bee FCU	Ongoing	33,000	12,222	101,150	SNNPR	Store and equipment for processing
Beza Mar	Newly Awarded	94,458	0	94,081	Addis	Demo, technology center and semi processing centers
Total		127,458	12,222	195,231		

Sesame

The construction of warehouses for four sesame producing FCUs are expected to be completed by the end of October. The four warehouses have a total capacity of 20,000 MT. These grants enable the FCUs to be able to reduce post-harvest loss and improve the quality and quantity of sesame exports, and drastically increase their export performance. The grants strategically support initiatives on marketing front, such as for example facilitating forward purchasing agreements with OLAM, which will be signed next quarter.

Tigray Multipurpose Federation (TMF) received grant approval from USAID for procurement of a sesame cleaning machine and they will sign the FOG in October. This will allow them to provide a much needed cleaning service to its FCU members to target higher value markets.

Meanwhile, TARI and ARARI research centers have been awarded a grant to improve their capacity to produce high quality sesame foundation seed. Tsehay FCU has received a grant that is aimed at improving their export competitiveness, which is already mentioned in the chickpea section above.

Awarded and Ongoing Sesame Grants

Grantee Name	Status	Amount Awarded	Paid	Cost Share	Region	Summary of Grant
EPOSPEA	Completed	22,972	22,972	22,972	Addis	For conducting 2nd international conference
Dansha Awurora FCU	Ongoing	348,267	324,725	149,257	Tigray	Warehouse construction (5K)
Metema FCU	Ongoing	361,543	335,719	154,947	Amhara	Warehouse Construction (5k)
Selam FCU	Ongoing	383,596	356,196	164,398	Amhara	Warehouse construction (5K)
Setit Humera FCU	Ongoing	381,242	354,010	163,389	Tigray	Warehouse construction (5K)
TMF	Newly Awarded	111,111	0	672,885	Tigray	Cleaning Machine and Color Sorter
Total		1,608,731	1,393,622	1,713,709		

Wheat

The wheat value chain had the highest number of newly awarded grants in the quarter. Four FCUs, one from each AGP region (Amhara, Oromia, SNNPR and Tigray), were awarded grants amounting to \$196,000 for the procurement of threshers. Availability of the threshers will help the FCUs reduce post-harvest losses for wheat on average from 3% to 6%. Furthermore, following on the partnership with the EIAR and regional research institutes, grant agreements amounting to \$253,602 have been signed with research centers producing foundation seeds, for both durham and bread wheat varieties. The grants signed are for the provision of irrigation and seed lab equipment which will enhance the production volume and quality of foundation seeds produced by the centers by about 110 tons. The research centers have comited to provide a total of 75 tons of improved foundation wheat seeds to AGP-AMDe in order to assist certified seed producers working with AGP-AMDe for further multiplication and distribution to farmers and AGP woredas. In conjunction with AGP-AMDe seed team, these seed producers are appropriately trained and capacitated to handle increased production and apply modern input distribution practices.

Awarded Wheat Grants

Grantee Name	Status	Amount Awarded	Paid	Cost Share	Region	Summary of Grant
Bokra FCU	Newly Awarded	49,000	25,000	27,083	Tigray	14 threshers
Errer FCU	Newly Awarded	49,000	0	34,333	Oromia	14 threshers
Wodera FCU	Newly Awarded	49,000	0	75,833	Amhara	14 threshers
Melik FCU	Newly Awarded	49,000	25,000	57,647	SNNPR	14 threshers
Total		196,000	50,000	194,896		

Maize

The grants signed with the EIAR and regional research institutes included the Bako and Hawassa research centers that specialize in hybrid maize seed production, amounting to \$70,000 for the provision of irrigation and seed lab equipment. Production of domestic, high quality hybrid seed is a priority for the country's seed strategy and is seed as the major initiative, along with promotion of fertilizer use, to increase maize production in country. The research centers have committed to provide a total of 35 tons of improved foundation hybrid maize varieties such as BH-661, BH-540 and other varieties to AGP-AMDe recommended certified seed producers to support further multiplication and distribution of seed. AGP-AMDe works with the seed producers to ensure distribution to farmers and AGP woredas. In conjunction with AGP-AMDe seed team, these seed producers are appropriately trained and capacitated to handle increased production and apply modern input distribution practices.

Agricultural Research Centers

A strategic grant amounting to \$637,753 was awarded to 11 agricultural research centers which are administered under the Ethiopian Agricultural Research Institute and the four regional agricultural research institutes (ARARI, SARI, ORARI and TARI), as listed in the value chain sections above. The main goal of the grant is to sustainably increase capacity of the centers to produce higher quality and quantity of early generation source seeds of the target crops to meet high demand for improved inputs.

The grants will be used to upgrade irrigation infrastructure which will result in ability to produce seed in off-season, and seed laboratory facilities which will ensure high yielding quality of

varieties before they are released and approved. The eleven agricultural research centers are dubbed as national centers of excellence or specialists for the respective target crops. This grant was proposed to as a result of a survey jointly conducted by Ethiopian Institute of Agricultural Research (EIAR) and AGP-AMDe on the source seed supply system of chickpea, wheat, maize, sesame and coffee. The survey indicated that, among other things, inadequate irrigation infrastructure and lack/substandard seed laboratories are critical bottlenecks in the production of sufficient quality and quantity of foundation seeds by centers in the National Agricultural Research System (NARS).

The selection of the centers was conducted in collaboration with the EIAR with regional and crop distribution into account. As a cost-sharing, the respective centers will provide AGP-AMDe with foundation seeds in the respective crops for support to AGP-AMDe recommended and supported seed multipliers and producers. The centers will also avail buildings for seed laboratories, provide labor for reservoir construction, and farm machinery, land, and staff for implementation of the seed multiplication plan.

The table below provides details on the distribution of the grants by center.

Grants to Research Centers

Region	Research Centers		Crop/variety	Woredas	Intervention	Cost share (value of seed provided) (Birr)	Additional expected Output (quintals)	Seed committed for AGP-AMDe (quintals)	Grant Fund (\$)	Cost share (\$)
Oromia	EIAR	Kulumsa	Bread wheat (Kekeba, Shorima, Digelu, Dandaa)	Limu-Bilbilo, Digelu-Tijo, Shirka, Munessa, Dodola, Adaba and kofele	Irrigation and Seed lab equipment	462,000	500	330	70,755	24,640
		Debre Zeit	Wheat (dhuram)	Ade'a, Liben, Gimbichu and Lume	Irrigation and Seed lab equipment	29,400	100	21	76,052	1,568
			Chickpeas (kabuli)	Ade'a, Liben, Gimbichu and Lume						
		Jimma	Coffee	Limu Sekka, Gera, Goma, Dhedhessa, Bedele, Chora, Gechi,	Irrigation and Seed lab equipment	450,000	13	30	86,392	24,000
	ORARI	Bako	Hybrid maize varieties (BH 660, BH-661, BH 540, BH-543)	Guto Gidda, Diga, Wayu Tuqa, Boneya Boshe, Guduru, jimma-geneti and Horro and "Bakko"	Irrigation and Seed lab equipment	2,133,000	500 -700	474	37,376	113,760
		Sinana	Durum wheat (Tate, Taitu) and	Sinana, Gasera and Agarfa	Seed lab equipment	210,000	200 -400	150	35,682	11,200
			Bread Wheat (Dandula, Mudawala)	Dodola, Adaba, Sinana,						

Region	Research Centers		Crop/variety	Woredas	Intervention	Cost share (value of seed provided) (Birr)	Additional expected Output (quintals)	Seed committed for AGP-AMDe (quintals)	Grant Fund (\$)	Cost share (\$)
				Gasera and Agarfa						
Amhara	ARARI	Adet	Bread wheat (Tay, Gassay, Denda, Kekeba)	Takusa, Derra, Ankesha Guanga, Bure, Wemberma, Debre Elias, Enemay and Dejen	Seed lab equipment and irrigation equipment	53,000	20 q chickpea and 10q bread wheat	30 (both)	64,642	2,827
			Chieckpea (Arerti, Shasho, Habru, Marye, Mastewal);	Dejen, Enemay,						
		Gonder	Sesame (Setit 1 and Humera 1)	Metemma, Jawwi, Quara, Chilga and Bosena-Worena, Dembia	Seed lab equipment	59,000	20 (10 q chickpea and 10 q sesame))	10 (both)	35,682	3,147
			Chickpea (Arerti, Habru and Shasho, Mastewal),	Dembia and Chilga						
SNNPR	SARI	Hawassa	Maize (both lowland and highland varieties)	Wondo genet, Melga, Goriche, Bule and Gedeb	Seed lab equipment	135,000	50	30	35,682	7,200
		Areka	Wheat	Konta, Issara and Basketto	Seed lab equipment and	42,000	40 - 50	30	64,642	2,240

Region	Research Centers		Crop/variety	Woredas	Intervention	Cost share (value of seed provided) (Birr)	Additional expected Output (quintals)	Seed committed for AGP-AMDe (quintals)	Grant Fund (\$)	Cost share (\$)
					irrigation equipment					
Tigray	TARI	Humera	Sesame (Setit 1 and Humera 1, and new non-shattering varieties to be introduced through AGP-AMDe)	Kafta, Humera, Tsegede, Welkait and Tahtay Adiabo	Irrigation and Seed lab equipment	20,000	10	10	95,164	1,067
		Mekelle	Wheat (bread): Rust resistant and early maturing varieties for Tigray (Mekelle 1, 2, 3, Pileflor, ETBW 5520, Danda)	Ofla and Endmekone	Seed lab equipment	7,000	300	300	35,682	373
					Total (Birr)	3,600,400		Total (USD)	637,753	192,021

Training

Awarded Training Grants

As a strategy to build capacity of FCUs and coops to become strong, local sources of quality training and extension for their farmer members, AGP-AMDe has issued strategic grants to embed SMFM within regular operations of these farmer institutions. Under constant supervision of AGP-AMDe staff, the FCUs and coops will develop a cadre of trainers and will cascade the agronomic, business and post-harvest handling skills down to the farm level and will remain as the permanent source of information in communities and farmer organization management structure.

Region	FCUs	PC	Value Chain	Trainers per PC	Farmer trainers per FCU	Farmers reached			Amount Awarded	Paid
						Male	Female	Total		
Oromia	7	44	Maize and Coffee	26	164	5,280	5,280	9,840	1,151,280	446,954
Tigray	2	12	Sesame	7	44	1,440	1,440	2,640	267,100	133,550
Amhara	7	53	Wheat, Honey, Maize, Chickpea, Sesame	29	218	6,540	6,540	3,080	1,434,744	717,172
Total	16	109		62	426	13,260	13,260	25,560	2,853,124	1,297,676
USD									152,167	69,209

Pipeline Status

Currently the grant team is reviewing and processing 57 grant proposals which were selected from over 300 concept notes received through the APS process. Although over \$8,900,000 dollars have been requested from these 57 grant proposals the grant team has been working with clients and value chain specialists at AGP-AMDe to prioritize and negotiate the requests to an estimated award amount of \$4,300,000. These grant proposals include requests for improving seed and grain processing and distribution capabilities, coffee washing stations, increasing access to credit, honey processing equipment and other strategic interventions that arise in coordination with implementing partners such as ATA.

CROSS CUTTING ISSUES

Nutrition

Overview

Limited availability of nutritious foods, economic constraints and lack of knowledge and information are critical factors that limit rural Ethiopians' access to nutritionally important foods. The agricultural sector has the opportunity to help address inadequate access to micronutrient-rich foods by contributing to income generation of at-risk groups and by making nutritious foods more accessible (available and affordable), more nutrient-rich and more acceptable as an important part of the daily diet. Empirical evidence from agriculture-based development programs suggests that actions in the agricultural sector can lead to improved nutritional outcomes at a household level. Most agricultural interventions affect the household's nutritional status through support of production consumed at the household and/or improving income-generation. Increases in production and improved storage can provide year round food access at the household level, including the lean season. Higher profits from agricultural trade, improved agriculture-based wage-earning opportunities, higher product prices, and lower consumer prices all affect the vulnerable household through increased income and food access. When coupled with nutrition education and budgeting for food purchases, improvement in nutrition security can occur.

The main objective of AGP-AMDe is to sustainably reduce poverty and hunger by transforming Ethiopian agricultural productivity and market competitiveness through a value chain approach. This transformation comes through increasing agricultural productivity, improving post-harvest handling and value addition practices. Participatory implementation as public-private partnership is a basic approach of AGP-AMDe. Target value chains are maize, wheat, sesame, coffee, honey and chickpeas. One of the keys for sustainably integrating nutrition into agriculture value chains is to look for ways to make nutrition marketable. Focusing on how to leverage the selected crops for nutrition outcomes is crucial to successfully integrate nutrition with agriculture. 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. During the reporting period the following major nutrition activities were performed:

Summary of Results

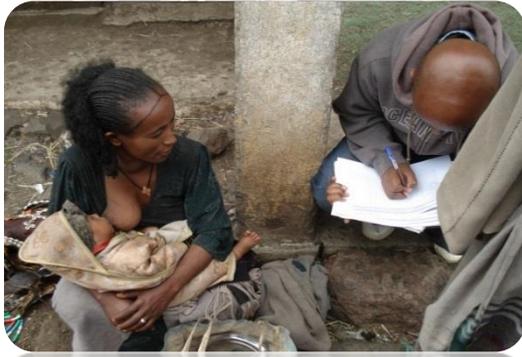
Complete Cost of Diet Analysis (COD) and Conduct/analyze Barrier analysis (BA) and Focus Group Discussions (FGDs) on each of the value chains among the four AGP- AMDe regions

The first pilot study of Nutri-SAT was completed in Ethiopia in August 2013 as part of the Agricultural Growth Program-Agribusiness and Market Development (AGP-AMDe). AGP-AMDe uses a value chain approach to strengthen the agriculture sector, enhance access to finance, and stimulate innovation and private sector investment. The average stunting rate for the 4 AGP-AMDe regions is 47%. According to the Global Food Security Index, one of the main nutrition challenges is diet diversity. Ethiopia scores 16 out of 100 on sufficiency of food supply with 66% of Ethiopia's population below the global poverty line. The average Ethiopian spends 58% of their household income on food compared to the global average of 38%.

The purpose of the pilot was used to develop agricultural value chain activities and to create a nutrition-sensitive work plan for the AGP-AMDe program. The tool has five main components that are used to determine the best entry points for nutrition-sensitive activities within an agricultural development and economic growth program:

1. **Desk Research** collects background information and other studies done in the target region/country to give a complete picture of both the nutritional and agricultural landscape of the project
2. **Barrier Analysis** examines the root causes of the nutrition behaviors
3. **Focus Groups** determine production and market behaviors of small holder farmers in key value chains
4. **Cost of the diet (CoD)** determines the minimal cost of a nutritious diet using a market survey of locally available and accepted foods
5. **Nutrition-sensitive agricultural work plan** is developed in collaboration with agriculture and nutrition staff

The study covers barrier analysis, focus group discussions with farmers (male and female) from each value chain crop, and market studies in each of the 4 regions of AGP-AMDe. The information collected mainly generated data on market prices, seasonal availability of food, food preferences and agriculture practices for growing, storing and selling products. AGP AMDe team together with two experienced data collectors and one translator to local language were involved in the data collection and data entry was carried out in Addis Ababa by trained data encoder and the final analysis was done at HQ.



Individual interview



Focus Group Discussions

Main findings of the study

Barrier Analysis looked at determinants of small holder farmers eating dark leafy vegetables.

Main barriers were:

- Both male and female Doers and Non-Doers in all four regions demonstrated limited knowledge of the advantages of consuming vegetables rich in Vitamin A.
- Male Doers were significantly more likely than Non-Doers to note that eating Vitamin A rich vegetables is easier when they produced the vegetables themselves.
- While Female Doers did not mention their own production, and instead were roughly twice as likely as female Non-Doers to note it was easier to eat Vitamin A rich vegetables when they are available in the market.

The key findings of the focus group discussions conducted with smallholder farmers from all of the value chains present in each region of AGP-AMDe are:

- Farmers produce a wide variety of staple crops and animals including: teff, maize, barley, millet, wheat, rice, chickens, goats, sheep and dairy cows.
- Households consume the majority of the crops they grow versus selling most products. The majority of income from crop sales is used to repay the money borrowed to purchase seeds and fertilizers at the beginning of the planting season.
- Eggs are more likely to be sold compared to milk, which is prioritized for household consumption with the excess being turned into butter for sale.

The cost of diet analysis findings on the degree to which economic constraints might prevent households from having access to a nutritious diet show the following main results:

- Average cost of a minimally nutritious diet 7.97 birr per person (HH members over 2 years of age), plus 2 birr per person (child 6-23 months) or 41.83 birr per household per day (based on an average of all 4 regions and 5 HH members)
- It is possible for a typical poor family to eat a nutritious diet using local foods, but it is difficult to meet the requirements for vitamin C, iron and calcium. These nutrients are the most expensive and increase the cost of the diet. Cost limits families' ability to purchase nutritious foods.
- Breast milk provides essential nutrients for a young child. If a child does not breastfeed from 12-23 months it would cost the family an average of 4.80 birr or 2.4 times more per day to meet the nutritional needs of that child.



Cost of Diet analysis



Market assessemnts

Recommendations

- Conduct market surveys each season to better understand the seasonal fluctuations in the cost and availability of foods found on the market and the potential impact on smallholder farming household's access and availability of a diverse diet.
- Use the CoD to monitor the project's impact on nutrition by comparing the cost of a nutritious diet with any growth in average beneficiary household income, to see if income gains (including own production) attributable to the project were sufficient to enable households to afford a nutritious diet.
- Include specific training to farmers for budgeting their money from cash crops and casual labor to be able to buy a diverse diet year round.

- Promote inclusion and empowerment of women in FCUs so they have access to FCU benefits such as improved inputs, fertilizers, trainings and linkages to markets.
- Include training to FCU's for members on improved household storage of crops. This will increase year round household access and availability of food.
- Include education about the benefits of eating vegetables rich in Vitamin A.

Based on the results of the pilot study a nutrition module for Sell More for More (SMFM) was created. This module will be used to train Home Economic Agents from the Ministry of Agriculture who will then train Development Agents and farmers. The training on this module will begin in December 2013.

The study report is attached for detail information with this quarterly report and will be further disseminated for partners and other stakeholders.

Collaborate with partners on micronutrient fortification and Pilot micro-fortification of wheat flour through innovations Fund

AGP-AMDe is collaborating with Global Alliance for Improved Nutrition (GAIN), Empowering New Generations in Improved Nutrition and Economic opportunities (**ENGINE**), African Alliance for Improved Food Processing (**AAIFP**), Tecnoserve, Food, medicine and Health care Administration and Control Authority of Ethiopia (FMHACA) and others who are working towards a national policy or standard on fortifying wheat flour. From fortification experience in other countries, the partners and working group agree it is best to work on a national policy prior to starting fortification at mills or in communities as it will be more sustainable and successful.



Visit to Guts Agro processing plant and example of its product

ToT training module and sticks developed to integrate nutrition-sensitive agriculture to farmers in SMFM in each value chain:

A nutrition Sell More 4 More (SMFM) Training module is in its final stage. AGP-AMDe has developed a training strategy that will start with providing training of trainers (TOT) to Home Economics Agents (HEAs) of the Ministry of Agriculture (MOA) from each of the woredas at Regional level. The TOT participants then will do a cascade training to Development Agents (DAs) farmers in each of the project value chains. The DAs will in turn provide training to Farmers Cooperative Union (FCU) members to deliver nutrition messages on integrating nutrition and agriculture. In such a way around 76,000 farmers will be reached in the first round.

Efforts will be made to integrate the nutrition module developed with the rest of SMFM training to be carried out when farmers they work with get trainings during the off season from planting or harvesting. The messages will mainly emphasize on basic nutrition, crop diversity/diet diversity, crop health/human health, relationship between crop growth/human growth, Nutrition-Agriculture relations, budgeting income to buy nutritious foods year round, training on best agricultural practices for year-round production (hence supplying food for household consumption), and intercropping. (Importance of a balanced diet). These messages will be coordinated with ENGINE, GRAD, AGP-LMDe and appropriate ministries so that communities are hearing the same messages from several sources.

Analysis on Nutrition

Challenges and opportunities

- The heavy rain that was raining throughout the region has hampered the study process during the house to house visit of the farmers and during market assessment of the COD analysis.
- The location and distance of woredas (with a different value chain) which are believed to have a significant difference in their feeding habits and barriers was another challenge in spending a lot of time to travel and reach in there.
- Conducting the three assessments, BA, FGDs and COD analysis at the same time was time taking, tiresome and tedious work that required extra effort and time which was more than 12 days in each region
- In the field the respondent's expectation for some sort of incentives was a considerable behavior observed just for giving an answer to the questions during the data collection process which was a challenge and in some circumstances was an obstacle developed among the rural community.
- While conducting Cost of the Diet analysis survey the traders were reluctant to tell the actual price of their food items by considering the team as a controlling body from the government and took a couple of time to convince them and start weighing and register the cost.
- The assistance and collaboration of FtF-USAID - ENGINE regional office and staff of zonal offices was of a paramount during our field visit particularly in SNNPR.

No.	Activity	Indicator	July-Sep. 2013			
			plan			Achievement
			July	Aug	Sept	
IR 4	Contribute to nutritional status improvement of households	Diet diversity score of households				
Op. 4.1	Determine the Cost of a Minimally Acceptable Diet (MAD) including seasonal variation					Completed
	Conduct cost of diet analysis in Oromiya, SNNPR and Tigray	# of reports				Completed
Op.4.2	Identified barriers on nutritional behaviors among value chain actors					Completed
	Conduct/analyze barrier analysis (BA) and Focus Group Discussions (FGDs) on each value chain actors in Oromiya, SNNPR and Tigray	# of reports				Completed
OP 4.3	Support food processors to engage in food fortification					
	Support private businesses to fulfill their identified capacity gaps and piloting fortification of wheat including cost-sharing innovation funds where qualified	# of food processors				
Op 4.4	Nutrition training module developed					Completed
	Prepare, print and distribute technical modules for trainers					
	Prepare, print and distribute nutrition STICKS for farmer training					

Communication

Behavior Change Campaign

Overview

AGP-AMDe is conducting evidence-based behavior change communication (BCC) activities to support the four primary program components. Through BCC activities, the project will empower individuals and groups to adopt appropriate behaviors that will increase overall project outcomes and ultimately improve their quality of life.

BCC-supported targets:

- Reach 200,000 project beneficiaries
- Increase female membership in Farmer Cooperative Unions (FCUs) to 30 percent

Summary of Key Results

- Developed and designed an overarching theme and artistic motif for all project BCC activities
- Drafted a tag line to accompany the overarching theme
- Composed and pretested eight messages for BCC behaviors
- Created two posters for the gender BCC campaign (the first of five BCC campaigns)

Key Activities and Successes

- **Overarching theme:** The BCC team developed and designed an overarching theme and accompanying artistic motif. The theme, “For a Fruitful Life,” featured on the right, was pretested with farmers in Holleta, Oromia region, and will be included on all project BCC materials starting October 2013.



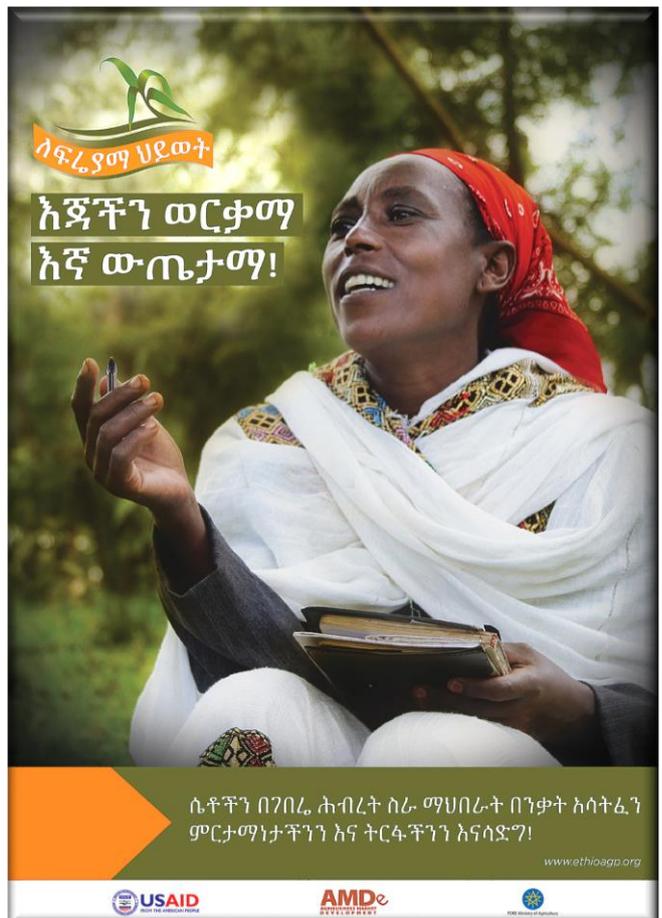
Artistic motif “For a Fruitful Life”

- **Tag line:** The tag line, “Our hands are golden, we are productive,” will be featured, together with the overarching theme, on all BCC-related materials. The tag line was pretested with farmers in the Holletta, Oromia region.
- **Message development for BCC campaigns:** The team developed eight messages for four BCC campaigns. Of the eight messages, the pretest confirmed the following four messages, which will be featured on BCC materials in the relevant campaigns. We will test messages for the fifth behavior, nutrition, in the next quarter.

-

Desired Behavior	Message
Women actively participate in co-ops as full members	<i>Active participation of women in co-ops results in an increase in productivity and profit</i>
Farmers save using financial institutions	<i>The hope for a better tomorrow depends on how we save now</i>
Farmers use improved seed and mineral fertilizers	<i>Farmers use improved seed and mineral fertilizers</i>
Farmers use market information	<i>We now get better prices based on market information</i>

- **Gender campaign:** The first BCC campaign will focus on gender. The first product developed for the campaign is a poster that includes the theme, tag line, and message, with an accompanying image. We developed two posters for this campaign. The first poster with a couple focuses on communicating to both women (primary target) and men (secondary target) and will be distributed starting October 2013 at FCU General Assemblies, farmer field days, and project events.





The second poster with the single woman (focused on the primary target audience) will be released in the coming months while celebrating strong female role models within FCUs, together with other materials that are under development. The posters, currently in Amharic, will be translated into Oromia and Tigrinya and will be distributed in all three languages to the four project regions.

Analysis

- When pretesting the theme, tag line, and messages with farmers, the BCC team acknowledged that the themes that most motivated the farmers were associated with profit and wealth. Farmers liked “For a Fruitful Life” as it reminded them about their chickens that lay eggs, their cattle that provide milk, and seeds planted that grow into thriving crops. The

message behind the tag line is our hands will bear gold if we use them well. The message suggests that as gold is precious, through hard work we will be productive and achieve what is precious; that is, wealth and prosperity.

- When participating in the Metema FCU General Assembly, the BCC team observed the small number of women farmers who were in attendance. The women who did attend were accompanied by their husband or male relative. Based on that observation, the BCC team decided to start the gender BCC campaign with an image of both a man and a woman to promote equitable participation in FCUs, followed by an inspiring image of a woman farmer.

Date	Activity Description	Location	Sector	Purpose	
				Organizing Partner	Description
July	Development of overarching theme and artistic representation	4 regions	BCC	AGP-AMDe Danya International	 For a Fruitful Life
July	Development of a tagline	4 Regions	BCC	AGP-AMDe Danya International	Our hands are golden; we are productive
July	Development of Body Copy Messages	4 Regions	BCC	AGP-AMDe Danya International	<ol style="list-style-type: none"> 1. Active participation of women in co-ops results in an increase in productivity and profit 2. The hope for a better tomorrow depends on how we save now 3. The more our agriculture method improves, the more our productivity grows 4. We now get better prices based on market information
August – September	Gender campaign initiated	4 Regions	BCC	AGP-AMDe Danya International	Art Direction: image selection-message refinement
September	Gender Poster Finalized	Amhara	BCC	AGP-AMDe	Final Posters for print

ICT/Knowledge Portal

Overview

The AGP-AMDe Information Communication Technology (ICT) Strategy uses and integrates technology innovations and knowledge management activities to support the learning and distribution of information across the value chains. The AGP-AMDe ICT Strategy and accompanying innovations will contribute toward attaining project goals and objectives. This strategy centers on improving ICT services and increasing access to information through a number of technology innovations, such as: the AGP Knowledge Management Portal; short message system (SMS), interactive voice response (IVR), and digitalized market information systems (MIS).

ICT targets:

- 20,000 unique visitors access the AGP Knowledge Management Portal
- 150,000 beneficiaries supported by the AGP-AMDe value chains through ICT innovations

Summary of Key Results

- Development of the AGP Knowledge Management Portal site structure and graphical user interface (GUI).

- Placement of the AGP Knowledge Management Portal prototype online (www.ethioagp.org).
- Collaboration with the Ministry of Agriculture (MoA) on the development of the portal and participation in the portal launch event.
- Agreement between the Ethiopian Commodity Exchange (ECX) and AGP-AMDe to establish an application programming interface (API) to provide market price information on the portal, and collaboration on AGP-AMDe regional MIS support project.
- Assessment of existing MIS networks to identify the needs and gaps of MIS in the Amhara region.
- Centrally managed antivirus protection and server-based backup solution services were administered to SNNPR, Oromia, and Amhara project regional offices.

Key Activities and Successes

AGP Knowledge Management Portal: During this quarter, the ICT Advisor worked closely with web design consultants to build the site structure and GUI. This included the home page, inner pages, and web functionality. The initial structure was presented to the portal working group. This group includes AGP-AMDe stakeholders, such as the AGP, ATA, the World Bank, MoA, CASCAPE, and LMD. Based on this feedback, the ICT Advisor made changes to the structure and functionality.

The final structure, content, and functionality were agreed on by the working group; once the basic functions and content were in place, the portal (see partial screen shot below) was made public on September 30, 2013. The portal is accessible through www.ethioagp.org.

On November 21st, the portal working group will officially launch the portal in a public event. This event will provide the opportunity for multiple stakeholders, government officials, and the public to learn about the portal and the information it includes.

Following the launch, AGP-AMDe plans to continue the periodic meeting with the



working group to further develop content from all partners, as well as enhance web features.

Market Information System: MIS activities on the project focus on the improvement of the existing market price information systems in the four AGP-AMDe regions. AGP-AMDe is collaborating with the Trade & Transport Bureau and ECX to develop and improve the collection, transmission, dissemination, aggregation, analysis, and dissemination of agriculture price information to AGP-AMDe stakeholders through billboards, radio, ticker boards, websites, SMS, and IVR platforms.

In August 2013, the ICT Advisor, together with the MIS Advisor, conducted a rapid assessment to review the existing MIS in Amhara Region (full report in Appendix). The assessment also included suitable and sustainable MIS system solutions and an action plan.

Solutions encompassed four main areas:

1. **Data collection and transmission:** the use of smartphones equipped with data collection forms to simplify the data collection procedures and market price data transmission.

2. **Data aggregation and analysis:** AGP-AMDe recommended an Ethiopian-provided online system, rather than regionally operated server systems due to the infrastructure and resource advantages to have a single-service provider giving redundant IT services to several regions.
3. **Information dissemination:** AGP-AMDe will assist in the development of market information dissemination channels to reach a wider audience with emphasis on smallholder farmers through collaboration with local radio stations, a public campaign, and billboard posting. Regional market price information will also be displayed on the ECX website and the AGP Knowledge Management Portal, as well as through the ECX IVR, ticker boards, and SMS text messages.
4. **Capacity building and behavior change:** Training of Trade Bureau staff in new MIS technologies and procedures. The ICT Advisor will work with the project's behavior change communication (BCC) team to make the market information more accessible through a variety of communication avenues, such as television, radio, newspapers, posters, and flyers.

ICT Project Support: The ICT Advisor assisted the project's ICT Unit with the implementation of virtual private networks (VPNs) to ensure uninterrupted operations of activities in the AGP-AMDe regional offices. The ICT Advisor also helped with the distribution of a centrally managed antivirus protection and server-based backup solution to protect program data. He led the migration of email services to Microsoft Office 365 online so the AGP-AMDe program staff could benefit from cloud-based office application services. Lastly, the ICT Advisor aided with the reconstruction and replacement of network and public telephone system components.

Analysis

When developing the portal, the ICT Advisor received valuable feedback from the working group that helped shape the portal. Suggestions included a live feed to ECX, interactive map, and live newsfeeds. The working group also discussed the process of transferring the portal management to MOA. AGP-AMDe, together with the MoA, will work to come up with a transition plan in the next coming months that may include additional capacity building of the MoA, if needed, to ensure the smooth and timely transition of the site before project end.

Annexes (Separate volume)