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

USAID QUARTERLY REPORT
January I – March 31, 2014



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

USAID/ETHIOPIA

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List of Acronyms

AAIFP	Alliance for Africa for Improved Food Processing
ACDI/VOCA	Agricultural Cooperatives Development Intl/Volunteer Oversees Cooperatives Assn.
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
ARARI	Amhara Region Agricultural Research Institute
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 Oromia
CEO	Chief Executive Officer
CIG	Common Interest Groups
CLU	Central Liquoring Unit
CPA	Cooperative Promotion Agency
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
ESE	Ethiopian Seed Enterprise
FCA	Federal Cooperative Agency
FCUs	Farmer Cooperative Unions
FMHACA	Food, Medicine and Health Care Administration Control Authority

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
MFI	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
TARI	Tigray Agricultural Research Institute
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
WFP
WG

United States Dollar
World Food Program
Working Group

EXECUTIVE SUMMARY

This report covers the period of January, February and March 2014, and describes the market development value chain activity, high-level visits as well as progress of the finance, enabling environment and grants of the AGP-AMDe project during this period.

Four Sesame Warehouses Inaugurated and expanding export opportunities for Amhara and Tigray FCUs

Warehouse Inauguration at Dansha in Tigray on March 27, 2014 for the four warehouses constructed in the Amhara and Tigray regions. USAID partnered with the Metema and Selam farmers' cooperative unions (FCUs) to construct two warehouses in Amhara and with the Setit Humera and Dansha Aurora FCUs on two warehouses in Tigray. The 5,000 MT warehouses will allow the FCUs to purchase more sesame from their combined 41,713 member farmers. Instrumental in constructing the warehouses was USAID's investment of \$1.4 million and assistance in facilitating \$611,605 in loans from the Commercial Bank of Ethiopia—a financing first for the bank and FCUs. The ribbon-cutting and speech was delivered by Ato Usman Surur Siraj, Director General of Federal Cooperative Agency, and Cullen Hughes from USAID. Delegates from FCA, USAID, Tigray and Amhara Regional, Zonal and Woreda Administrators, CPA's, BOARDS, AGP FPs, the four FCUs Managers and Board Chairmen and Dansha Aurora FCU with its PCs, SNNPR CPA, and Commercial Bank of Ethiopia representatives were in attendance.



Gulfoods Trade Show

AMDe sponsored three Marketing Federations and three FCUs in collaboration with MoT, EPOSPEA, EHPBEA, LMD and over 40 private exporters to exhibit in the Ethiopian Fine Foods pavilion at Gulfoods in Dubai from February 23rd to 27th. The show was visited by over 15,000 international buyers and resulted in over 100 business linkages, expanded capacity of the FCUs for export marketing; promoted sesame, pulses, spices, honey, coffee and livestock to new markets; and reinforced business partnerships.





Innovation Grants Awarded for Purchase of Tractors

USAID AMDe provided financial and technical assistance to four Oromia seed producing cooperatives (Biftu, Wirtu Kachama, Dureti Tulu, and Ifa Bari) to increase localized seed production and distribution of chickpea and wheat seeds. Innovation grant funds will go towards the purchase of a tractor and trailer to improve the productivity of the PCs, which are currently ploughing with oxen. The PCs also secured loans to purchase disc harrows and disc ploughs as well as using membership contribution to build a storage unit for the equipment. This intervention will increase the amount of land that can be ploughed, combat the growth of noxious weeds, increase member dividends through tractor rental income, and provide the cooperatives with the necessary transport to sell their seeds. By expanding access to localized production and distribution of seeds this intervention will help promote the use of quality certified seed to ensure increased yields prevail throughout Oromia. In total, 12,000 farmers are expected to benefit from the increase in seed production.

AFCA Highlights Ethiopia Fine Coffees

AMDe and Ethiopia delegation (MoT, MoA, ECX, ECEA, FCUs – Sidama, Oromia, Kaffa, Bench Maji, Limu) attended the 11th Annual African Fine Coffees Association Conference in Burundi from February 12 – 15. There were more than 600 participants, 45 booths and key topics included gender with presentations by Hivos, ITC, IWCA; 4th annual African Coffee Sustainability forum. Won prize for best booth, which was received by Assefa Mulegta MoT at closing ceremony with visits from ICO ED, ITC ED, US Ambassador, MoA Burund. An Ethiopian business luncheon was held with 50 participants including 20 representatives of international buyers from 10 countries. Nestle, Starbucks, Mercon, ETG, Schluter, Lavazza attended among others.



US Congressional Staff Delegation visits ECX Labs & Sidama Elto FCU

US Congressional staff delegation from Washington DC visited AMDe partners Ethiopia Commodity Exchange laboratory and Sidama Elto Farmer Cooperative Union. Visiting facilitated by Vanessa Adams director AMDe, and Rahel Hawassa ECX regional manager. They were introduced to the ECX grading system, green coffee evaluation, sample preparation, roasting, and cupping cup quality evaluation procedures and specialty coffee market valuations. There was a review of AGP-AMDe interventions to establish traceability systems that address national and international needs, such as the certified ECX labs and technical support as well as capacity building.



The **Coffee Value Chain** delivered incremental sales of \$7.3M USD at farm gate, generated 134 jobs through nursery activities and provided 8,376 beneficiaries of AMDe assisted coffee value chain programs during this quarter. As a result of US Trade Mission and conferences, the AGP AMDe team facilitated sales relationships and contracts between Mercon Coffee Trading, Briz Coffee, MTC, DE Master blenders 1753 and Ethiopian coffee suppliers. MTC represents an opportunity to enter into new markets of Australia, Korea, Taiwan and China. Moreover, 20 participants from the Ethiopian coffee sector participated in AFCA, including representatives from the government of Ethiopia, NGOs supporting the coffee industry, growers or grower's organizations, and exporters. At the National Coffee Association (NCA) in New Orleans established more than 100 business linkages.

The **Sesame Value Chain** organized purchase of 125Mt of Humera-I and Setit -I improved sesame seed production from smallholder and commercial farmers by Tsehay FCU and ESE /Tigray Branch. This seed will cover more than 41,667 ha of land for 27,000 SHFs with the expected sesame production of 25,000 MT. This AGP-AMDe seed intervention enabled local supply of seed to farmers, in addition to the earnings to the producers, worth noting is the two commercial sesame seed producers and 6 selected model farmers in Metema & Mirab Arimachiho and Tach Armachiho earned income of 128,186 USD as well secure seed for themselves and others. SMFM leadership training was given to 30 participants (7 women) from 6 PCs from Selam & Metema FCUs. A marketing competitiveness training was delivered by Jon Walden for 85 representatives from private sector, government, and exporters, of which 23 are members of EPOSPEA. Participation in the Gulfood Trade show resulted in sales deals for 1,083MT of sesame, valued \$2.3M USD. Smallholder sesame farmers sold more than 15K MT of sesame to their FCUs and PCs (excludes sales direct to traders) and earned 24.4M USD, of which the FCUs exported 1,900MT at a value of 4.5M USD. 1,955 MT of sesame was exported by TMF and KHSPSC to Israel, Algeria, Jordan and China. Three exporting companies, who are members of EPOSPEA, exported 3,268 MT of regular and hulled sesame at a value of \$4.2M USD.

The **Chickpea Value Chain** facilitated domestic sales of 843MT with a value of 443K USD. AGP-AMDe sponsored the participation of leading chickpea producers - Lume Adama FCUs, TMF and Agro Prom PLC, while ATA sponsored Wodera at Gulfoods Trade Show. They secured more than 40 leads for international buyers. AGP-AMDe released an innovation grant for \$116,479 USD to Bale Green, which is engaged in seed multiplication and produced 60MT of quality chickpea seed from 20ha of land. Bale Green is now preparing to plant Kabuli chickpea on 274ha this coming planting season. Their vision

is to significantly increase the production of Kabuli chickpea using the double cropping system with wheat farmers in Oromia to ensure sustainable supply to international markets, which will benefit SHFs with increased income. To help drive demand, AGP-AMDe released an innovation grant for \$66,411 USD to Guts Agro Industry, a G8 New Alliance member/signatory, who is encouraging the local CSB producers and local farmers through its local procurement program and value-addition processing. Through close support by AGP-AMDe, Guts developed a chickpea-based Ready –to–use– Foods (RUSF) in partnership with WFP to address malnutrition effectively in Ethiopia and elsewhere in Africa. In addition, Guts has launched chickpea Shiro. To deliver these initiatives, Guts plans to purchase 10,000MT of Chickpea annually. The impact on the production of Chickpea by Bale Green spices and Guts Agro industry on the value addition is expected to strengthen the chickpea value chain through ensuring significant and sustainable income for smallholder chickpea farmers.

The **Honey Value Chain** purchased a total of 523 MTs of honey from the 4 regions and 60.5 MTs exported to Norway, Italy, and Sweden. Rahi processing enterprise purchased 1MT of honey for 58,025 birr from Gudina Kiltu and Muto. Keffa FCU sold 0.5 MT of honey to Hawassa women retailers. Zembaba FCU signed honey trade agreements with TUTU and Apinec. The 10 Zembaba Honey producing member PCs bought 211MT of honey from SHFs and have sold 83MTs. Zembaba secured sales agreements with Tutu and Apinec honey processors and exporters to sell 24MT. Gudina FCU bought 0.314 MT of refined honey with a value of 21,038 from its member farmers for local market. 50 MTs of honey was collected from PCs and model beekeepers of the three project woredas (Endamohoni, Welkayt and Ofela) and was sold in the local market. Similarly, Beza Mar Agro Industry bought 260 MT of honey from SNNPR (Sheka, Kefa) and Oromia (Illu Ababora). 16 samples were collected from coops and tested by Ethiopian Conformity Assessment Enterprise. SMFM Training cascaded to 450 farmers in three Oromia FCUs (Mum Edema, Demitu Honey and Gudina).

Maize Value Chain completed Year One of AMSAP and had outstanding results, as shown below:

1. National average yield/ha of 22 qts, the AMDe baseline
2. Average AMSAP woreda demo yield/ha of 34 qts **before** the intervention
3. Average AMSAP demo yield/hectare (ha) **after** intervention is 69 qts on average:
 - The minimum average yield of AMSAP is 48 qt/ha, which is 218% of AMDe baseline.
 - The maximum average yield of AMSAP is 87 qt/ha, which is 395% of AMDe baseline.
 - The 16 AMSAP woredas had an incremental yield of 47 qt/ha, an increase of 214%.

In Year One, 320 lead smallholder farmers benefited from AMSAP with significant incremental yields, increased incomes, greater access to improved seeds as well as capacity building in agronomic practices and post-harvest handling. As a result, this performance encouraged more farmers to request hybrid maize before the planting season - the created demand for the new seed raised by 230%. This shows that AMSAP is a successful seed technology transfer to smallholder farmers through this collaborative partnership and is in process of scaling up to 3,200 in Year 2 and 32,000 in Year Three.

Wheat Value Chain facilitated market linkage agreement between two FCUs (Ambo and Lume Adama) that established wheat processing mills and 14 FCUs involved in wheat processing. Contractual agreements signed for more than 5,800 MT of which 3,887 MT was delivered by the end of March. SMFM ToT training continued to be conducted in which 88 lead farmers were trained. SMFM post-harvest handling (PHH) trainings was also cascaded to 6,199 small holder farmers. In addition, 63 participants (8 women) attended the farmers' field day. Four seed multiplying PCs signed innovation grants with AGP-AMDe for the purchase of tractors to produce quality seed in large volumes.

Inputs - Technical support on the construction of the blended fertilizer facilities to was provided to 4 FCUs (Melik, Becho, Enderta and Merkeb). The focus was on the establishment of the first blended fertilizer plant at Becho Woliso FCU, in collaboration with key partners – MOA and ATA. Sensitization workshop on Blended fertilizer factory establishment was organized in collaboration with ATA. Sesame improved basic seed (Humera-I variety) was sown in the plots of 15 small hold and large scale commercial farmers at 91.77 ha for seed production at three potential Amhara woredas, which is estimated to produce 588 qt of seed. A non-shattering variety of sesame was imported for testing at Agricultural Research centers from which we expect the result in next quarter. 20 maize BH 66I variety demonstrations/populrzation were conducted in AGP woredas of SNNPR as part of the project’s technological transfer effort. Seed marketing and business management training was given to Oromia Seed Enterprise Management, Bale & Arsi Agricultural Development Enterprises Management and technical staff on the basics of seed system. The enterprises own 21,560 hectares of which they have planned to produce 60% for seed multiplication in 2014.

Component 2 Improving Access to Finance, AGP-AMDe facilitated working capital financing for many agribusiness actors that included FCUs, PCs and private commercial farmers in-line with the harvest season that requires large amount of funding to support commodity flowing from smallholder and commercial farmers to the market. In addition, the team also ensured the timely disbursement of funds approved as well as the effective utilization of those funds disbursed to our beneficiaries. In doing so AGP-AMDe facilitated working capital and project financing requests amounting to \$71.8M USD, of which \$39.1M USD has been approved and \$27.7M USD disbursed to 41 FCUs and PCs.

Warehouse Receipt System pilot was launched in Bure and Deber Markos woredas of Amhara region in collaboration with ATA and Amhara Credit and Saving Institution in which 229 qtl of wheat was aggregated benefiting 17 smallholder farmers.



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

- Provided input to the draft Seed Regulations by proposing specific amendments to the current draft Regulations that are key for improving the enabling environment for the private seed industry in Ethiopia.
- Completed a fertilizer procurement and distribution strategy to improve the efficiency of the fertilizer supply chains with a short term and long term recommendations.
- Presented conclusions and recommendations of the Improved Transport and Logistics for Ethiopia's Fertilizer Imports key Government stakeholders including Director Generals of Agricultural Inputs Supply Enterprise and Ethiopian Maritime Affairs Authority, ATA CEO, and Deputy CEO of Ethiopian Shipping Lines and Logistics Enterprise.
- Completed paper documenting growth rates in the cereals sector in Ethiopia and their causes; and, continuation of a paper documenting the demand impact of cereals supply growth – both for the price policy conference planned for June 2014. The paper provided the definitive statement of the current (for the past 16 years) cereals growth rate (seven percent rate). It documents the fastest continuous growth rate for any country ever and turns the discussion away from the validity of the data and toward the critical policy issues of how that growth rate was obtained and what policy changes are needed to maintain that growth rate at least until rural poverty is largely eliminated.
- Presented a seminar to members of the Ethiopian Agricultural Economics Society as a first effort at feedback on the level, causes and implications of the cereal growth rate in Ethiopia
- Developed collaboration with the two major institutions having impact on Ethiopia's agricultural price policy (Ethiopian Development Research Institute (EDRI) and the International Food Policy Research institute (IFPRI) for an agricultural price policy conference to be held in June 2014, to define the principles and suggest the applications for an Ethiopian agricultural price policy.

Component 4 Innovation Fund—51 new grants worth \$2,457,667 were awarded in this quarter. Of the \$14.2M AGP-AMDe Innovation and Demonstration Fund, AMDe has awarded 190 grants worth a total of \$10,093,393 of which \$3,179,667 (31%) has been disbursed to-date. Grants in the amount of \$4,067,486 are in the process of approval.

Cross Cutting Components

Nutrition continued conducting the first phase of cascading training using SMFM nutrition training module and strategy. Accordingly, nutrition experts conducted three TOT trainings with Home Economics Agents. Oromia trained 21 (15 females), Amhara trained 25 (6 female) and Tigray trained 9 (4 females). All the trainees were provided with facilitator's guide, technical guide and planning book developed for this purpose. In addition to these, each of them were given 22 STICKS (Scalable Tracker for Imparting Certified Knowledge and Skills) developed both in Amharic and Tigrigna languages to be used as educational tool throughout the cascaded training down to the grass-root level.

Gender - the Women Agribusiness Leadership Network application form was translated into Amharic and information session were conducted for potential business women working in the target regions. As

a result, 224 women applied for the program. Reviewed with the World Bank impact assessment: overall baseline survey; impact evaluation process; eligibility criteria; training location; scoring for randomization for WALN project. Agreed on the eligibility criteria and began selecting the eligible applicants. As per agreement with EWEA, contact information of their members working in coffee and honey export were added to our contact directory <http://ethioagp.org/directory/>. Celebrated International Women’s Day at ACDI/VOCA national office with the AMDe & Feed the Future II staff.

Behavior Change Communications Gender - The total number of leaflets and with women’s testimonials and messages for women, men, and group leaders reached 4,491 leaflets while the total number of posters distributed to farmers, cooperative and union management members, and regional government officials reached 2,387. These products were distributed during general assembly meetings, trainings, and various events organized by unions in all four regions. In addition to the BCC campaign promoting the benefits of increased women’s active participation, significant progress was made on a complimentary incentive-based campaign designed to increase the number of women members in FCUs by 30%. The BCC team launched the membership drive for new women members as well as rewards for high-achieving PCs and the top achieving FCU. A membership drive with milestones was completed this quarter and the team also finalized the poster targeting smallholder farmers that promotes the contest as well as promotions created for FCUs & PCs.



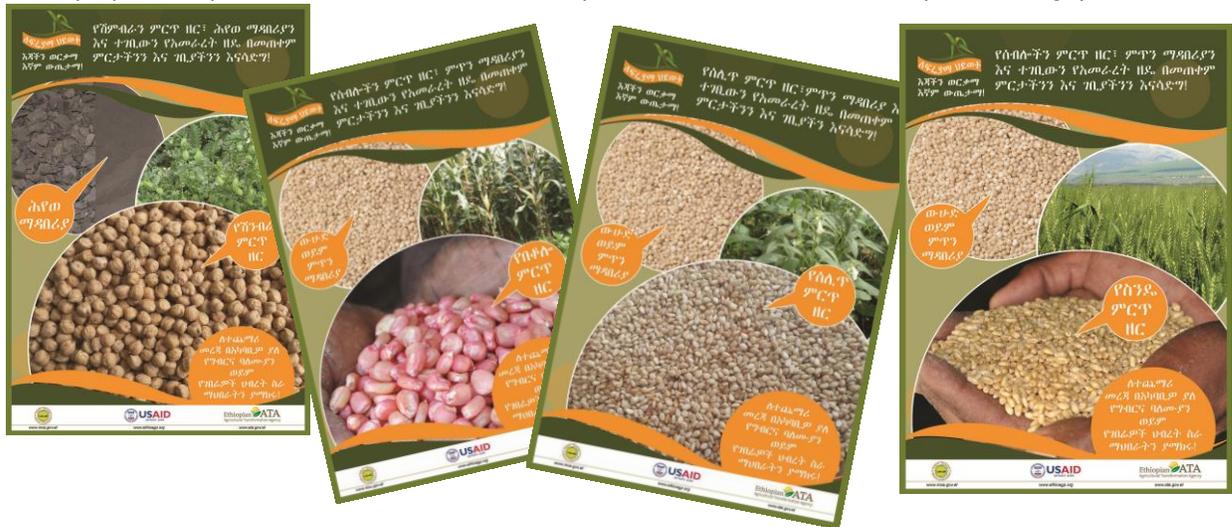
Inputs - The AMDe BCC team and key technical staff worked closely to plan and launch an inputs campaign that promotes awareness and demand for improved seed and fertilizer, with a focus on the new semi-blended and blended fertilizers. The promotion of these new fertilizers build on the government’s plans to develop fertilizer production facilities where blending can take place. This quarter, materials were developed to promote the uptake of existing inputs and more importantly the new inputs, such as the blended fertilizer. The BCC team completed a campaign plan that



Fertilizer Pocket Guide- 6,000 Amhara, 6,000 Oromiya and 1,500 in Tigray

includes fertilizer pocket guides, expert panel radio call-in shows, posters targeting four value chains with input messages, and leaflets that promote use of quality inputs to increase yield. The team also aggregated data from Sell More Trainings into a database of some 25,000 farmers from which cell phone numbers were collected to leverage for future SMS campaigns. The BCC team is currently working directly with communications teams from the Ministry of Agriculture and ATA to finalize messaging and ensure government-approved messaging/guidance is on all products.

Input promotion posters for Maize, Wheat, Sesame, Chickpea- 2000 in Amhara, 2000 in Oromiya, 1000 in Tigry



Input promotion fliers for Maize, Wheat, Sesame, Chickpea- 8,500 in Amhara, 8,500 in Oromiya, 3,000 in Tigry,



ICT Innovations - In this quarter, the ICT innovation team worked with the Ministry of Agriculture to finalize the specifications and procurement of ICT equipment that was necessary for the eventual transfer of the AGP portal to MoA ownership. The vendor has been selected with delivery and installation to occur in the next quarter. Additionally, progress was made on developing the specifications for an enhanced market information system in collaboration with the Ministry of Trade and Ethiopian Commodity Exchange.

Knowledge Portal - In this quarter the AGP portal working group improved the web site architecture, tabs and content strategy and dynamic content template with each partner making commitments regarding development of content. The portal has also continued to increase functionality through the addition of a contacts database and an initial linkage to ECX market price information through an API. Finally, the knowledge portal team designed and developed the promotional site for Gulfood with brief content for sliding banner and products section developed, in collaboration with LMD. Live at <http://ethioagp.org/ethiopiasfinest/>.



INDICATOR PERFORMANCE TRACKING TABLE – SUMMARY OF JANUARY – MARCH 2014

AGP-AMDe made significant progress during January to March 2014 to achieve its life of project goals. The achievements for the quarter and overall are presented in the indicator performance tracking table (IPTT) below and in full in Annex I.

Performance Indicators	Unit of Measure	Year 3 Target (July 2013 - June 2014)	Jan-Mar 2014 result	LOP result (results to date)	LOP target	Percentage of results to date (%)
Number of beneficiaries supported by AGP-AMDe assisted value chains	#	242,197	123,096	384,384	1,000,144	38
Value of exports of targeted agricultural commodities as a result of USG assistance	USD	36,699,099	55,951,602	92,488,503	148,236,057	62
Value of incremental sales (collected at farm-level) attributed to FtF implementation	USD	20,207,446	28,380,556	51,577,913	94,733,730	54
Value of Agricultural and Rural Loans	USD	12,000,000	3,382,808	34,234,526	39,134,157	87
Number of jobs attributed to FTF implementation	#	3,652	331	2,698	10,755	25

SUCCESS STORIES JANUARY – MARCH 2014

1. From Crop-to-Cup USAID Supports Investment in Ethiopia's Specialty Coffee Industry
2. Ethiopian Coffee Shows Generate New Linkages
3. Four Sesame Warehouses open export opportunities for Amhara and Tigray FCUs and benefit 41,713 smallholder farmers
4. Guts Agro Industry is the first Ethiopian G8 New Alliance Signatory to Deliver on Commitment
5. Advanced Maize Seed Adoption Program Delivers Strong Results



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SUCCESS STORY

From Crop-to-Cup USAID Supports Investment in Ethiopia’s Specialty Coffee Industry



The Agricultural Growth Program-Agribusiness and Market Development (AGP-AMDe) uses a facilitated value chain approach to increase the competitiveness of select Ethiopian agricultural products; enhance access to finance; and stimulate innovation and private investment. This flagship program is part of the U.S. presidential Feed the Future initiatives and New Alliance for Food Security and Nutrition. 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 ACIDI/VOCA and do not necessarily reflect the views of USAID or the United States government.

Members of the East Coast Impact Angel Network (EIAN) invested into METAD, an Ethiopian specialty coffee company. METAD used the investment to establish a coffee processing facility on its coffee farm located near Yirgacheffe in the Oromia Region of Ethiopia.

The U.S. Agency for International Development’s (USAID) facilitated the investment through its Agricultural Growth Program – Agribusiness and Market Development project, which is the flagship of the Feed the Future initiative in Ethiopia. The project’s private equity team conducted initial due diligence on the deal and presented METAD to a global network of impact investors. The project team leveraged financing to maximize impact to the local smallholder farmers and position METAD for commercial production.

Since closing the investment, METAD has hired 13 permanent employees and 200 temporary employees as well as made significant progress on the farm by establishing over 100 drying beds and building a coffee storage facility. As METAD expands, they expect to create an incremental 20 full-time jobs and 200 temporary jobs, more than 70% of which are anticipated to be filled by women. In addition, METAD expects to train more than 750 local farmers who will benefit by increased earnings resulting from a higher premium paid, up to 10-25 cents per pound, for better quality coffee. METAD also secured an innovation grant for \$172,522 to establish a washing station and dry mill processing facility.

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. “We are grateful for the support from USAID and the EIAN, and we are eager to use this investment to continue building Ethiopia’s reputation in the specialty coffee market,” said METAD CEO Aman Adinew. Dr. Andrew Umhau, one of the EIAN members who visited the Yiracheffe region on an investment trip to see the farm, commented, “We all experience coffee from the consumer end, so this investment in Ethiopian specialty coffee has natural appeal to me. I had the opportunity to experience the entire coffee supply chain first hand in Ethiopia-from coffee bush to macchiato. The METAD management team understands coffee in Ethiopia, so we have great confidence in this venture.”



Ethiopian Coffee Shows Generate New Linkages



US Ambassador to Burundi, ITC Director General and ICO Executive Director, and Burundi Minister of Agriculture (right to left) participate in the Ethiopian coffee ceremony at booth at African Fine Coffees Conference in Bujumbura.



Tadesse Meskela from Oromia Coffee Farmers Cooperative Union presenting to major buyers and importers.

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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USAID AMDe marketing and business facilitation activities linked producers directly with experienced buyers, who appreciate the distinctive aspects of Ethiopian coffee and recognize the improved quality from the focus and grassroots training. Under the Ethiopian Fine Coffees banner, coffee partners have participated in two international trade shows and a trade mission to the US that resulted in significant sales to new buyers, and a number of leads for additional contracts in the coming months and next year.

In January, an Ethiopian Coffee Reunion was organized in Los Angeles, CA featuring a delegation of three prominent Ethiopian coffee suppliers and more than 15 major buyers and importers of Ethiopian coffee. The event was organized at the state-of-the-art roasting facility of Apffels Coffee, a premium roaster with private label and foodservice clients all over the western United States.

In February, Ethiopia was represented with an impressive booth and delegation at the annual exhibition of the African Fine Coffees Association (AFCA). The AFCA event was attended by international traders and importers who expressed strong interest to engage more with the Ethiopian coffee sector.

In March, the annual convention of the National Coffee Association (NCA) was held in New Orleans, LA and proved to be an excellent opportunity to showcase the Ethiopian coffee industry. Ethiopia was featured as a sponsor, booth exhibitor and in a prominent series of presentations during a business luncheon for more than 70 guests, sponsored by Nescafé. In her closing remarks, Linda Butler, Nestlé's Coffee Sustainability Manager complimented the Ethiopian industry, stating "The Ethiopian coffee sector's more collaborative efforts are beginning to show some progress towards addressing and developing sustainability in the sector, thus looking to add further towards prosperity in the whole value chain."

With new coffees available from the 2013/2014 harvest, sales for Ethiopian coffee producers continue to grow. Year to date, our partners secured sales contracts for over 6500MT of quality specialty coffee, valued at more than \$40M USD, with international buyers from around the world.



USAID SUCCESS STORY

FROM THE AMERICAN PEOPLE

Four Sesame Warehouses open export opportunities for Amhara and Tigray FCUs and benefit 41,713 smallholder farmers



Cullen Hughes from USAID and Usman Surur Siraj, Director General of Federal Cooperative Agency inaugurate the Dansha Sesame Warehouse



Metema Warehouse

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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The U.S. Government, through the United States Agency for International Development (USAID) inaugurated the sesame warehouse in Dansha for the four warehouses constructed in the Amhara and Tigray regions. The ribbon cutting and speech was delivered by Ato Usman Surur Siraj, Director General of Federal Cooperative Agency, and Cullen Hughes from USAID.

USAID partnered with the Metema and Selam farmers' cooperative unions (FCUs) to construct two warehouses in Amhara and with the Setit Humera and Dansha Aurora FCUs on two warehouses in Tigray. The 5,000 MT warehouses will allow the FCUs to purchase more sesame from their combined 41,713 member farmers. Instrumental in constructing the warehouses was USAID's investment of \$1.4 million and assistance in facilitating \$611,605 in loans from the Commercial Bank of Ethiopia—a financing first for the bank and FCUs.

USAID's goal is to bring these four FCUs into the export market by delivering necessary support including providing technical assistance in good agricultural practices, post-harvest handling and quality inspection and grading. Increased sesame production and better storage of the crop in a well-managed warehouse will improve quality so that these FCUs will meet the international market demand. "These warehouses are an important step for sesame farmers' cooperative unions in the Tigray and Amhara regions," said USAID Ethiopia Mission Director Dennis Weller. "We are confident that the new warehouses will help reduce post-harvest losses, increase exports and foreign exchange earnings, and contribute to the livelihoods of the smallholder farmers."

"The sesame warehouses are an excellent example of the extraordinary achievements possible with strong partnership and cooperation across important stakeholders," said Usman Surur Siraj, Federal Cooperative Agency director general. "The warehouses will be vital to capitalize on an excellent export opportunity for the benefit of Ethiopia, the farmers' cooperatives unions and the smallholder farmers."

USAID will continue to invest in new technologies to benefit smallholder sesame farmers and expand agricultural export opportunities for Ethiopia including cost sharing innovation grants to leading sesame FCUs for sesame cleaning machines to enable entrance into U.S., EU and Japanese markets.

Developing the sesame value chain is an important part of USAID's Agricultural Growth Program-Agribusiness Market Development, the flagship activity under the U.S. President's Feed the Future initiative in Ethiopia.



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SUCCESS STORY

GUTS Agro Industry is the first Ethiopian G8 New Alliance Letter Of Intent Signatory to Deliver Nutritional Product



Mr. Engidu Legesse, Guts Agro Industry CEO



USAID Officer Gary Robbins next to a display of the new Chickpea shiro & dry roasted chickpea snack products

“Guts Agro Industry committed to expand its operation by collaborating with the Government of Ethiopia and its development partners at a G8 summit launching the New Alliance for Food Security and Nutrition held in Washington D.C. in May 2012” said Engidu Legesse, GUTS Agro Industry CEO. “I am proud that we are able to fulfill that commitment to the benefit of the farmers, my employees and customers.”

United States Agency for International Development Agricultural Market Development (AMDe) project assisted Guts Agro Industry with market linkages, a grant and technical assistance for the phase I launch of three new chickpea products. The first is a pilot chickpea-based Ready-to-Use-Supplementary Food (RUSF) developed for World Food Program (WFP), with support from PepsiCo. This supplementary food is created for young children between 6-59 months of age to effectively address malnutrition in Ethiopia and elsewhere in Africa. The second new product is a new seasoned chickpea shiro powder. This nutritious, savory and popular Ethiopian meal is made of chickpea ground into flour mixed with spices. The last is a new dry roasted chickpea snack product, or “Kolo”, which is the first of its kind to be produced in Ethiopia. Guts Agro Industry is working closely with the Agriculture Transformation Agency (ATA), USAID and WFP in launching these new products in Ethiopia and internationally.

These new and nutritious chickpea products are manufactured with chickpeas purchased from farmer cooperative union partners, including Becho Weliso and Lume Adama from the Oromia Region. The collaboration is a result of the public-private partnerships fostered by the U.S. Feed the Future Initiative and the New Alliance for Food Security and Nutrition. Under an AMDe-facilitated agreement with chickpea producers, Guts Agro Industry plans a second chickpea order of 4,000 MT for local processing from 52,000 smallholders from cooperative unions.

“Chickpea farmers who participated in multiplying the new Kabuli seed variety gained up to 100% yield increases and higher market value” said USAID official Gary Robbins at the launch. “We are confident that the new products processed and packaged by Guts Agro Industry will set a trend in value addition, increase exports, and contribute to the improved livelihoods of the farmers.

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This flagship program is part of the U.S. presidential Feed the Future initiatives and New Alliance for Food Security and Nutrition.

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SUCCESS STORY

ADVANCED MAIZE SEED ADOPTION PROGRAM DELIVERS RESULTS



Lead farmers explain AMSAP demonstration



Field days were used to demonstrate the results of hybrid maize to smallholder farmers.



The Agricultural Growth Program-Agribusiness and Market Development (AGP-AMDe) uses a facilitated value chain approach to increase the competitiveness of select Ethiopian agricultural products; enhance access to finance; and stimulate innovation and private investment. This flagship program is part of the U.S. presidential Feed the Future initiatives and New Alliance for Food Security and Nutrition. 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.

Maize represents the crop with the largest smallholder coverage in Ethiopia at 8 million holders. The main challenge of the Ethiopian maize value chain is access to quality improved maize seeds, which substantially impacts the productivity of smallholders. To address this challenge, DuPont Pioneer and USAID AGP AMDe initiated and co-funded the Advanced Maize Seed Adoption Program (AMSAP) in 2013. “We believe that the private sector has a big role in terms of technology access” said Minister Wondirad Mandefro “extension support and particularly seed and technology multiplication.”

AMSAP is a collaborative partnership between USAID, the Ethiopian Ministry of Agriculture, Agricultural Transformation Agency and DuPont Pioneer to provide improved varieties of maize seed and training to 35,000 Ethiopian smallholder farmers over the next 3 years.

AMSAP was introduced in 16 AGP woredas (districts) with 320 lead farmers. DuPont Pioneer provided hybrid seeds, agronomic training and on-farm input training to smallholder farmers selected for demonstration plots. USAID AMDe conducted post-harvest handling training, coordinated the establishment of demonstration plots and increased market access and farmer cooperative union capacity.

Year I is complete and the results are outstanding, as shown below:

- Average national maize yield of 22 qts/ha per the AMDe 2012 baseline
- Average AMSAP woreda demo yield of 34 qts/ha **before** the intervention
- Average AMSAP demo yield **after** intervention was 69 qts/ha
 - The minimum average yield of AMSAP was 48 qt/ha or 218% of the AMDe 2012 baseline.
 - The maximum average yield of AMSAP was 87 qt/ha or 395% of AMDe 2012 baseline.
 - The 320 model farmers had an average incremental yield of 47 qt/ha, an increase of 214% over the AMDe baseline.

In Year I, 320 lead smallholder farmers benefited and nearly 2000 people were trained from AMSAP with significant incremental yields, and increased incomes. As a result, this performance encouraged significantly more farmers to request hybrid maize before the 2014 planting season. The demand created for the new seed was increased by 230%.

Strategic partners consider AMSAP a successful seed technology transfer to smallholder farmers through this collaborative public private partnership. AMSAP has already been scaled up to 3,200 for the 2014 planting season. Next year, the program will expand to an additional 32,000 smallholder farmers.

COMPONENT I: IMPROVE VALUE CHAIN COMPETITIVENESS

Coffee Value Chain

Overview

Under the coffee value chain strategy, AGP-AMDe's work is contributing to the Government of Ethiopia 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 program 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. AGP AMDe is working to develop traceability, market linkages, promotion, providing grant support: for new lab and washing station equipment, deliver SMFM trainings to farmers and support nursery establishment for PCs and CIGs. The key objectives are to create new jobs, investments as well as increase the amount and value of coffee sold.

Summary of Top Results

- Export value of more than 10 million USD facilitated
- Created more than 77 job opportunities (converted to full time equivalent)
- Field cupping training was conducted using SCAA cupping protocols, combined with discussion to correlate cupping results with coffee processing and production best practices for 36 beneficiary and an additional 38 participants (3 women).
- Q Grader Training for 24 new students, 12 're-take' exams, and required calibrations for 7 Q graders
- Conducted highly participatory and result oriented SMFM training for Tepi FCU board members and primary cooperatives in Tepi town for 34 members (2 females)
- Technical support provided for five CIG group organized for coffee seedling production in Kaffa and Gedeo zones
- Site visits and advisory service to 12 sites for potential wet mills, including grant recipients Oromia and Yirgacheffe Unions
- 20 participants from the Ethiopian coffee sector participated in AFCA, including representatives from the government of Ethiopia (3), NGOs supporting the coffee industry (3), growers or grower's organizations (6), and exporters (8)
- Ethiopian Fine Coffees established more than 100 business connections at the National Coffee Association (NCA) in New Orleans

Key Activities and Success

Market Linkages: With this year's harvest complete and fresh coffees available to market, Ethiopian Fine Coffees conducted significant outreach to the international market including a trade mission to the United States, participation in two international trade shows, and business facilitation linked to these activities. Training and advisory service was also provided to assure continued improvement in understanding and application of quality processing and evaluation techniques.

- **Trade Mission to US:** Four delegates from Ethiopia traveled to San Francisco, Sacramento, Los Angeles, New York, Vermont and New Jersey to meet with key buyers from the US coffee market. In all, the group, including representatives from Oromia, and Sidama cooperative coffee

unions (OCFCU, SCFCU) and private estate farmer Tadele Abrha of Green Coffee Agroindustry, met with nearly twenty potential and existing clients and prepared potential deals for at least 25 containers or 450 metric tons of green coffee beans at a total potential value of at least 1.75 million USD. A highlight was the Ethiopian Coffee Reunion held at Appfels Coffee Roastery in Los Angeles. Meetings included coffee buyers like Royal Coffee, The Rogers Family, Appfels Coffee, Farmer Brothers, Intelligentsia Coffee, Klatch Coffee, and Interamerican Coffee. Another significant meeting was with Green Mountain Coffee Roasters in Vermont, where the Q Graders tasted a variety of Ethiopian coffees and indicated to the Ethiopians their flavor preferences and potential additional volumes.

- **Business Facilitation with Buyers:** In addition to sales follow up from the US Trade Mission and conferences, the AGP AMDe team facilitated sales relationships and some contracts between Mercon Coffee Trading, Briz Coffee, MTC, DE Masterblenders 1753 and Ethiopian coffee suppliers. MTC represents an opportunity to enter into new markets of Australia, Korea, Taiwan and China. Specific efforts have been initiated to facilitate business with large coffee buyers like: Mercon Coffee Trading, the Rogers Family and Allegro Coffee.
 - Mercon Coffee has already been placing orders with Green Coffee Agroindustry Plc for at least 19 containers green beans or 340 metric tons at a total value of US\$1.1M.
 - The Rogers Family has expressed strong interest to restart purchases of traceable specialty Ethiopian coffee beans and the resulting business deals could exceed an annual sales value of \$3.5 to \$5M.
 - Allegro Coffee, traditionally a major buyer of certified coffees, recently appointed a new director for all coffee buying activities and this company has expressed strong interest to re-evaluate its procurement strategies to sustain the growth of the company; potentially this will result in substantial new opportunities for Ethiopian coffee suppliers.
- **Annual Conference of the African Fine Coffees Association (AFCA):** More than 600 delegates attended the AFCA conference in Burundi this year. AGP AMDe organized the booth presence for Ethiopian Fine Coffees, printed materials, arranged coffee tastings, meetings with buyers, hosted an Ethiopian Coffee business luncheon with (25) international buyers and sponsored the participation of 9 partners. In all, the Ethiopian delegates were able to realize significant new contacts and facilitate potential business deals. The EFC delegation was awarded the prize for best booth, recognizing the “Building a Sustainable Coffee Future” branding.
- **Annual Conference of the National Coffee Association (NCA):** Ethiopian Fine Coffees (EFC) had a strong presence at the 103rd Convention of the National Coffee Association (NCA) in New Orleans, Louisiana. The NCA is the industry association representing the largest volume traders, roasters and brands in North America. More than 600 international attendees were at the show, and five representatives of the Ethiopian industry attended to meet new business contacts. At the event, EFC networked with almost 120 visitors, to attract them to the booth to learn about the EFC program and experience the diversity of coffees. The highlight of the conference was the Ethiopia Business Lunch with presentations from Abdellah Bagersh (Bagersh Plc), Tadesse Meskela (Oromia CFCU), and Willem Boot. Nearly 80 attendees representing a broad range of companies and key buyers attended, and gave positive feedback about what they had learned. The booth was set up to highlight the diversity of Ethiopian coffees with continuous sampling using trendy Chemex pour-over brewers. EFC representatives networked with buyers during the show to learn about EFC and experience the coffees.
- **Taste of Harvest (TOH) Competition:** AGP-AMDe fully sponsored this year’s ToH Ethiopia competition in collaboration with AFCA Ethiopia chapter organizers. AMDe supported collection and competition for 91 samples submitted by producers, processors and exporters and FCUs. 87 coffee competition samples were scored 80 and above specialty grading with SCAA/Q protocol. Award winning coffees were showcased and cupped at the 11th AFCA conference and exhibition conducted in Burundi, Bujumbura.

Trainings and advisory services: This quarter's activities include sensory evaluation training in both a field and lab setting, and specialized advisory services for wet milling process design.

- **Field Cupping Training:** The AMDe team organized a field cupping training based on internationally recognized CQI cupping standards, introduction to coffee, importance of Ethiopia in the coffee market, introduction to quality coffee and cupping, coffee attributes, green grading, introduction to the cupping form, cupping protocol, basic cupping exercises. 36 participants including coffee producers, model farmers, FCUs and regional government experts learned how to improve the quality of their coffee production to meet the international standards and respond to the demand of the quality coffee buyers willing to pay a premium for the product.
- **Wet milling advisory services:** AGP AMDe orchestrated the visit of Central American consultant Luis Delgado to professionally evaluate and validate areas where washing stations are to be built at several FCU's who received innovation grants. Recommendations were made on specific conditions such as water availability, site gradient, road access and quantity of ripe cherry to be processed. This input will be taken into account by the grantees in planning for equipment selection.
- **Q Training in Addis:** A Q Grader Training was held at the ECX central lab in Addis for 25 new students from exporters, cooperative unions, private farms and ECX staff. An additional 12 students will re-take exams to receive their Q Grader certificates. Seven licensed Q Graders will undergo cupping calibration as required every three years. A roster has been developed for the next course in June, during which Assistant Instructor candidates will begin their training.
- **Export Competitiveness symposium** was organized in collaboration with ECEA. International best practice was shared by Mr. John Walden, a renowned consultant.

Analysis of Coffee Value Chain

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 for both washed and natural coffees: Lots produced by cooperatives or by private estates that are licensed to bypass the ECX platform (currently approximately 15% of exports). All remaining coffee, produced by smallholder farmers (about 85% of Ethiopia's exports), which due to current ECX regulations currently cannot be traced back to the producing communities or washing stations. The traceability gap strongly limits the ability of private exporters to access to certain international specialty markets and to earn premiums for Ethiopia's supply of fine coffees. Many exporters and buyers 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 perceived disconnect between the ECX price discovery mechanism and the New York "C" market for Arabica coffees, which often results in the fact that ECX coffees trade at higher prices levels creating a competitive disadvantage for Ethiopian exporters. In times of depressed or

declining market prices (as was the case until April 2014), Akrabis 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 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 short term 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 a 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.

Date	Name of Event	Location (city, woreda, region/country)	Value Chain/Cross Cutting Area	Total # of participants (# of women)	Name(s) of AMDe Team Attending	Name of Partner Organizations
January 9 – 15	US Trade Mission	San Francisco, CA, Sacramento, CA, Los Angeles, CA, Burlington, VT	Coffee			Sidama FCU, Oromia FCU, Green Coffee Agro Plc
February 10 – 11	Field Cupping Training	Yirgalem, SNNPR	Coffee	38 (3)	Kilil Mesfin, Alemayhu Teshome, Daniel Mulu, Marcelo Pereira, Paul Kim (volunteer)	
February 13 – 15	African Fine Coffees Association Conference	Bujumbura, Burundi	Coffee	10 (1)	Vanessa Adams, Ahadu Woubshet, Bisrat Ermias, Kimberly Easson	ECX, Kaffa FCU, Limu Inaria FCU, ECEA, ECGPEA, Oromia FCU
March 20 - 22	National Coffee Association Conference		Coffee	6 (1)	Ahadu Woubshet, Kimberly Easson, Willem Boot	Oromia FCU, Bagersh Plc, Green Coffee Agro Plc, Metad Plc
March 27 – 31	Q Grader Training	Addis Ababa	Coffee	24 (6)	Trish Rothgeb, Daniel Mulu, Samuel Gruel (volunteer)	

Coffee Value Chain Activity Tracker January – March 2014

Activity #	Activity Description	Indicator and Unit	Q 3 - this Quarter			Cumulative Up to this Quarter		Reason for Variance
			Target	Achieved		Achieved		
				#	%	#	%	
IR 1: Improve the Competitiveness of Coffee VC								
Sub IR 1.1	Sub IR 1.1: Volume & value of marketed value chain surpluses increased as a result of improved end-market competitiveness							
OP 1.1.1	OP 1.1.1: Marketing Systems and Practices Improved							
	Support ECX in Ethiopian coffee pricing competitiveness analysis relative to international and NY C market prices	# study				1	100	Report complete, presentation pending
	Conduct a multi-stakeholder (MOT, ECX board, ACDI/VOCA) on best practices for ECX warehousing by looking at coffee producing countries	# study				1	100	Completed in Q2
	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	# of participants				320	213	Completed in Q2

Activity #	Activity Description	Indicator and Unit	Q 3 - this Quarter			Cumulative Up to this Quarter		Reason for Variance
			Target	Achieved		Achieved		
				#	%	#	%	
	in organizing an annual international conference - Support ECEA to host an effective, high impact conference & training for members							
	Competitions: Analyze opportunities for Ethiopia 'own' competition and develop plan (CoE, Taste of Panama) - and improve participation in Taste of Harvest competition in coordination with AFCA and ECEA and other industry stakeholders. Link with marketing of Q coffees	analysis/ plan completed	1	1	100	1	100	Support provided to gather samples and for AFCA participation. AFCA chapter wanted to act independently. Study possibly in Q4.
	Conduct SMFM management training	# of trainers trained				160	114	Completed in Q 1 & 2
	Cascade SMFM training to farmers and operators (post-harvest) and printing and distribution of posters to each farmer	# of farmers and operators				8584	113	Completed in Q1 & 2
	Brand development for Ethiopian Coffee: work to MoT to implement approved	logo launched,				1	100	Brand submitted to MoT

Activity #	Activity Description	Indicator and Unit	Q 3 - this Quarter			Cumulative Up to this Quarter		Reason for Variance
			Target	Achieved		Achieved		
				#	%	#	%	
	logo	in materials						
	Int'l trade show promotion: Support sector to participate in international trade shows - AFCA, SCAA, and 1 other international	# shows/#leads	2	2	100	3	100	SCAA in Q4
	Sample and data collection for ToH and other promotion/business facilitation activities	# samples collected, % samples w all data		98		118	118	Increased number of participants and intensive efforts made to collect more samples
OP 1.1.2: Specific and Effective Market Linkages Created								
	Enhance Ethiopian Fine Coffee (promotional platform) catalog and website	# website hits		758		2087	209	Q 1 &2 achievement was not reported and the website was promoted
	Trade missions to follow up on trade show participation together with associations and exporters	# containers	100	133	133	133	133	improving world price and demand and organized promotion activities
Sub IR 1.2								
Increased volume and value of commodities purchased from smallholders								
OP 1.2.2								
Post-Harvest Losses Reduced and Farm Income Opportunities Expanded Through Mechanization								

Activity #	Activity Description	Indicator and Unit	Q 3 - this Quarter			Cumulative Up to this Quarter		Reason for Variance
			Target	Achieved		Achieved		
				#	%	#	%	
	Provide financial assistance on cost-share basis to establish dry mill facilities	# partners receiving support	3	1	33	1	33	Bedele and Bench Maji cancelled due to grant constraints
	Support establishment and effective use of cupping labs in strategic locations to support processing investments	# cupping labs	3	3	100	3	100	The grant process is fully completed along with renovation work but the international procurement process is taking a bit more time.
	Support installation and calibration of new equipment (dry mills, wet mills, hand pulpers, drying beds, refractameters, moisture meters)	# of partners supported		9		22	44	some of the activities are postponed to Q4 for the reason that the grant process and procedures need more time than expected
	Develop and disseminate training materials and posters for improved processing methods	# manuals and posters		1470		1470	59	The remaining planned for Q4 for the reason that the translation as well as preparation of the materials has been taking longer time than expected
OP 1.2.3								
Collaboration Between Stakeholders Facilitated and Established								
	Multi-stakeholder meeting facilitated twice a year in each region to update stakeholders on project	# MSPs	2	1	50	1	50	Postponed to Q4 due to program overlapping and waiting for appropriate time

Activity #	Activity Description	Indicator and Unit	Q 3 - this Quarter			Cumulative Up to this Quarter		Reason for Variance
			Target	Achieved		Achieved		
				#	%	#	%	
	progress and ensure B2B connections							
	Support regional coffee task force to improve quality, yields and marketing skills through trainings	# participants	60	0		0		Postponed to Q4 due to program overlapping and waiting for appropriate time
	Conduct SMFM management training (gender focused leadership, record keeping, business planning and marketing) to cooperative leaders and staff	# participants		80		295	211	The interest from Coops and Union were more than expected due to the successful training in the past.
	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		36		36	60	Field cupping training Conducted for SNNPR and the remaining part will be undertaken in the coming quarter at appropriate time for all stakeholders.
Sub IR 1.4	Sub IR 1.4: Yields of targeted crops increased							
OP 1.4.1	Reliable Access to Improved Seed Expanded - Provide TA to EIAR and Regional ARCs							
	Regional research centers capacitated through	# ARCs		1		1	50	Grant approved only for JARC

Activity #	Activity Description	Indicator and Unit	Q 3 - this Quarter			Cumulative Up to this Quarter		Reason for Variance
			Target	Achieved		Achieved		
				#	%	#	%	
	provision of irrigation systems, seed lab, etc., to ensure sufficient production of basic seed	supported						
OP 1.4.2	Support Production of Improved Seedlings Required for Increased Coffee Production (mod)							
	Develop a strategy with Jimma ARC and Awada RC, key stakeholders and producer associations on seedling for renewal/replacement	# strategies		1	50	1	50	Conducted in Jimma While the Awada RC grant was not approved
Sub IR 1.5	Sub IR 1.5: Increased volume of targeted crops meeting accepted international market requirements							
	Support ECEA to host their own coffee tour/caravan in conjunction with conference	# participants , % satisfaction (survey)		1	100	1	100	Completed
	Conduct Q grader training and calibration courses using the Q grader system	# trainees		25		25	63	The remaining training and calibration will be in Q4 to ensure quality of the training
	Technical exchange to international best practice sites to review marketing, regulatory, private sector	proposal to implement new practices				1	100	Completed

Sesame Value Chain

Overview

Sesame is one of the main produce and export commodity in the sesame major growing areas of Tigray, Amhara and Oromia Regional States and the demand at the International market is increasing especially the Humera and Gonder type for confectionary manufacturing Industries. To take advantage of the opportunities that the international market offer four FCUs (Selam, Metema, Dansha Awrora and Setit Humera), Tigray Marketing Federation (TMF) and Kafta Humera Sesame Producers and Sales Cooperative (KHSPSC) are buying sesame from their member Primary Cooperative smallholder farmers (SHF) and Commercial farmers.

AGP-AMDe to better prepare partners in taking advantage of market opportunities has assisted them to upgrade quality and quantity of sesame production to meet demand for high quality standard of international markets. In addition AGP-AMDe, along with major stakeholders, is capacitating partners by delivering Save more for more (SMFM) trainings especially to the SHF on quality and productivity improvement, reducing post-harvest losses by constructing warehouses, and export market training, market linkages and promotion.

One of the major challenges in increasing sesame production, quality improvement and post-harvest loss is that farmer's plant shattering variety seed. AGP-AMDe is working with partnership EIAR and TARI in introducing new non-shattering varieties. Trail in adaptability and production at Werer Agricultural Research Center (ARC) in Afar Regional State at Humera will be practiced during the coming crop season. If this is successful further trails will be implemented in Amhara Regional State and will be released by the technical committee of EIAR, TARI and ARARI.

Summary of Top Results

The major results achieved during this quarter included:

Market Linkages and Sales: 19,354 MT (3,529 and 7,860 MT in Amhara and Tigray respectively) has been purchased by cooperative from their member. These sales have generated a total income of 22.8 million USD to the producers. Export sales volume 7,163 MT at value of 13.4 million USD. In addition 1,124 MT and 631 MT is sold to ECX and TMF respectively and TMF sold 760 MT to Israel, Algeria, Jordan and China.



Tsehay FCU's sesame in export process, supervision and technical support at Gondar

Sesame Sales January to March 2014)

Buyer/Seller	Total purchased (MT)	Purchase in value (USD)	Total amount exported (MT)	Value of Export (USD)
Total- Cooperative	11,389	22,812,365	1,900	4,491,020
Total – Private	7,965	10,415,690	5,263	8,947,682
Grand Total	19,354	33,228,055	7,163	13,438,702

Improved Seed Production and Access:

Tsehay FCU in Amhara and Ethiopia Seed Enterprises (ESE) Tigray Branch purchase of 125 MT of Setit-I and Humera-I improved sesame seeds. This resulted in income to the producers and supply of improved seed that can cover an estimated land of 41,667 ha of 27,000 SHF and generate production of 25,000 MT of sesame in 2014/15 production season.

Number of jobs: In addition to the short term employment created during construction of warehouses, Metema FCUs has employed three staffs as store keepers and security guards permanently.

Training and other events undertaken:

- Sell More for More (SMFM) management training was conducted for 6 primary coops of Metema and Selam FCU and 30 (7 women) participated.
- Gulf Food Trade Show: Four Regional Marketing Agency Directors from Amhara, Tigray, Oromia and SNNPR sponsored by the project participated at The Gulf Food Trade Show, at Dubai from February 23 – 27, 2014 and gained experience on International Trade Fair and the B2B deal and promotion of products and business.
- Warehouse Handing Over Inauguration: The 20,000 MT capacity four warehoused constructed are handed over and inauguration event undertaken at Dansha Awrora FCU.

Key Activities and Successes

Gulf Food Trade Show: The 27th Gulf food show Conducted from February 23 - 27, 2014 in Dubai with a record of 113,398 m² in exhibition space and 4,500 companies from 120 countries participating welcomed tens of thousands of trade visitors from around the world.

EPOSPEA together with other sectoral association i.e. Coffee exporters association, Honey exporters association, Meat exporters association and live animal exporters association has participated in this exhibition with financial and technical support of USAID AGP AMDe. The Ministry of Trade has led this



exhibition by establishing a steering committee consisting member representing the 5 associations and AGP-AMDe representatives. EPOSPEA, sponsored by AGP-AMDe, as a member of the steering committee was in the process of the exhibition preparation, the booth design and payment.

Warehouse Inauguration at Dansha: The four sesame warehouses constructed with the support of United States Agency for International Development (USAID), were inaugurated and handed over in the presence of Ethiopian Federal Cooperative Agency and USAID representatives on March 27th 2014. These four new warehouses with 20,000 Metric Ton storage capacity would significantly assist over 41,000 smallholder farmers in Tigray and Amhara Regions to educe post-harvest losses, increase exports and foreign exchange earnings.

Delegates from FCA, USAID, Tigray and Amhara Regional, Zonal and Woreda Administrators, CPA's, BOARDs, AGP-Focal Points, the four FCUs Managers and Board Chairs and Dansha Aurora PCs representatives, CBE and SNNPR CPA representatives. The ribbon cutting and speech was done and delivered by Ato Usman Surur Siraj Director General of FCA and Mr. Cullen Hughes, USAID Deputy Office Chief, Office of Economic Growth and Transfomation. The FCU manager and Zonal Administrator as well the FCA Director General appreciated the support of the warehouse construction and the upcoming cleaning machine purchase and capacity building of SMFM training, market linkage and participation in the International Trade Fairs and finally certificate of highest appreciation and acknowledgment was given from the FCU to FCA, USAID, AMDe, West Tigray Zone and Tsegede Woreda Administration and CBE.



Ribbon Cutting and delivering speech by the FCA Director General and USAID Representative



Hand over of Certificate of Apprication and Acknowlgment to USAID and AMDe



Group picture of the Inauguration participants

Multi Stakeholder Platform (MSP) meeting: MSP meeting was held in Gonder on January 16, 2014. AGP-AMDe, Metema, Selam and Tsehay FCUs as well ECX and Bureau of Trade and Transport of Amhara delivered presentation during the meeting. The meeting concluded that the improved seed of Humera-I to be sold to Tsehay FCU through the North Gonder Zonal Department of Agricultural and Rural Development and address the marketing issues and ECX services with partnership of Trade & Transport Bureau and AMDe. The MSP was attended by 32 (20 Male and 2 Female) participants from Region, Woreda Agriculture Office, CPA, Bureau of T&T, Gonder and Metema ARC, Amhara Seed Enterprise, Plant quarantine, ECX, FCUs and Commercial farmers. During the meeting it was declared by the North Gonder Zone Agriculture Department that the 260,000 ha of land is planned to be cultivated in the coming 2014/15 crop season, and the the plan requires about 780 MT of improved sesame seed.



SMFM management training: This training is provided for Metema FCU and its three PC (Meka, Seferedin and Gelegu), Selam FCU and its three PC (Angereb, Agar Chirikign and Adilemlem Kisha) Quara, Tsegede and Mirab Arimachiho Woredas Cooperative Promotion Office. The main objective of the training was to capacitate farmer cooperative union and their member coops in leadership, management, business plan preparation, membership and marketing. Topics of the training were focused on technical and business management. The beneficiaries were 25 - 22PCs board members and finance as well 3 Woreda.

Marketing Competitiveness training: on Feb 3 - 4 export competitiveness training was conducted in Addis Ababa that was attended by 23 exporter members of EPOSPEA and 62 government and private participants.

Sesame working group workshop at Gonder: ATA organized working group workshop in which FCA, Regional and Zonal CPA, FCU Board Chairperson and Managers and partners from AGP AMDe, Agriterra and Cooperative for Change attended the workshop. The major agenda of the workshop

includes performance of FCUs in export market, challenges and action and follow up ATA, FCA and partners presented updates of their respective activities.

Assessments Conducted:

- **M4 - assessment was conducted** in five primary coops of Metema FCU (Meka, Selferdin and Gelgu PC) and Selam FCU (Angereb, Agar Chirkign and Adilemlem Kisha PC). Challenges including lack of capital, lack of adequate staff, delay of audit, membership expansion, poor support of woreda CPA, corruption and others challenges were identified in the assessment.
- **ECX primary market assessment:** AGP-AMDe conducted assessment on challenges and opportunities of 8 ECX primary markets and interviewed 16 traders on access to market information and trading arrangement, access to credit, supply of quality product, access to transport and other infrastructure.

Woreda	Number of markets assessed	Name of kebele	No. of traders interviewed
T/Adyabo	2	Additsetser & Sheraro	4
K/Humera	4	Adebay, maikadra, Setit humera (Humera town) & Hagera selam	8
Tsegede	2	Dansha Town, Alemgenet	4
Total	8		16



Method of supplying to primary market, cleaning and transporting

Cleaning machine specification:

- Discussion was held between AGP-AMDe and ministry of industry (MOI) Experts to develop specification for the sesame cleaning machine for FCUs and TMF that are supported through innovation grant fund. Two experienced exporters are contacted for their advice and they have volunteered to participate in the evaluation of the tender. Grant fund is allocated to Selam, Metema and Dansha Aurora FCUs who do not have cleaning machines.
- The grant and all detailed information is forwarded to FCA for the cleaning machine purchase tender process.
- TMF has received the first 50% milestone grant payment of USD 103,093 for the cleaning machine purchase and are on the process with the supplier for detail information to open letter of credit

Analysis of Sesame Value Chain

Opportunities

- Total purchase and export of sesame by cooperatives has doubled from the previous year. Support of the Sesame Working group from ATA, FCA and AGP-AMDe in market linkage and information have significantly contributed to improve the sesame export by FCUs and TMF and Kafta Humera Sesame producers and Sales Cooperative (KHSPSC).
- Sponsored participants from FCUs and Regional Marketing Agencies participated at the Dubai Gulf Food Trade Show and experienced by dealing B2B and exchanging business relations for future market linkage and deal
- The newly constructed warehouses would enable the FCUs to purchase and store large amount of quality sesame and will be a good collateral to get loan from bank.
- SMFM cascading on PHH training supports the SHF to supply good quality of sesame the market through their PCs and FCUs.

Constraints

- High price of sesame in the local market (ECX) and low demand and price at the international market have affected the purchase and sales of the FCUs
- Lack of cleaning machine have incurred additional costs to the FCUs and this raises the overhead cost which affects competitiveness in the export market,
- Lack of enough budget and delay of loan release from the financial institutions delays the purchase period and also forced the FCUs to buy when price is relatively high.

Key Events Undertaken January 1 – March 31, 2014

Date	Name of Event	Location (city, woreda, region/country)	Value Chain/Cross Cutting Area	Total # of participants (# of Female)	Name(s) of AMDe Team Attending	Name of Partner Organizations
Jan. 16, 2014	MSP	Gonder/North Gonder Zone Amhara	Sesame	32 (M-30, F-2)	eferi Wendale, Getasew Agnische,	RCA, RT&I, R&ZDOARD, Gonder ARC, CFC, FCUS and Commercial Farmers, ECX
Feb 3 & 4, 2014	Market Competitiveness training	Addis Ababa	Sesame	85 (M-70, F-15)	Teka Reda, Bisrat Ermias, Asefa Amaldgen, Kasu Kebede, Amsalu Andarge and Solomon Legesse	FCA, ATA, EPOSPEA, CBE, NBE, MOT and FCUs
Feb. 7 – 12, 2014	ECX Sesame Primary Collection centers assessment	Tahitay Addiyabo, Kafta Humera and Tsegede/Tigray	Sesame	8 collection centers and 16 traders	Leake Gebreselama	ECX and Xone and Woreda T&I
Feb. 10 – 11, 2014	M&E Field assessment	Gonder and Abrehajira/Amhara	Sesame	Tsehay and Selam FCU management	Chernet Zewde and Getasew Agnische	Tsehay and Selam FCUs
Feb 27 & 28, 2014	Sesame Working Group work shop	Gondrer/ Amhara	Sesame	53 (M-50, F-3)	Vanessa Adams, Teka Reda, Teferi Wondale, Getasew Agnische, Gebru Desta, Leake G/Selama	F&RCA and T&I, ATA, Agritera, C4C, FCUs and Commercial Farmers
Feb 23 - 27, 2014	Gulf Food Trade Show	Dubai/UAE	Sesame, Chick Pea Coffee and Honey	74 (M-68, F-6)	Vanessa Adams, Ahadu Woubshet and Mesfin Terefe	MOT, MOA, EPOSPEA, RMCA and FCUs
March 13 - 18, 2014	SMFM Training	Gonder/Tigray	Sesame	38 (M- 31, F-7)	Getasew Agnische	R, Z & Woreda CPA, 74
March 17, 2014	Grant Signature with Agro Prom International PLC	Addis Ababa	Sesame and Chick Pea		Vanessa Adams, Teka Reda and Charles Walker	
March 27, 2014	Dansha Aurora FCU warehouse Inauguration	Dansha/Tigray	Sesame		Vanessa Adams, Ahadu Woubshet, Teka Reda and Gebru Desta	F, R, Z & woreda CPA, DOARD, Zonal Administrators, 4 FCU Managers and Board Chair persons

Partners and Interventions, January – March 2014

Partners	Location	Intervention during the quarter
Metema, Selam, Tsehay, Dansha Aurora and Setit Humera FCUs, TMF and KHSPSC	Metema, Mierab Armachiho, Gonder Zuria/ Amhara and Kafta Humera and Tsegede/Tigray	Support in market information, linkage and export sales
Metema, Selam, Tsehay, Dansha Aurora and Setit Humera FCUs, and KHSPSC	Metema, Mierab Armachiho, Gonder Zuria/ Amhara and Kafta Humera and Tsegede/Tigray	Reliable access to sesame Humera-I, and Setit-I improved seeds
Ato Melkamu Abreham and Ato Ayana Mengistu (Commercial) farmers and three Model SHF	Metema and Mirab Armachiho	Seed multiplication and marketing and generated income of USD 94,535, 7,328 and 26,323 respectively
ECX and T & I	Tahitay Adiabo, Kafta Humera and Tsegede/ Tigray	Sesame Primary Collection centers and 16 traders were interviewed with partnership of the Zonal T & I expert
R, Z & W FCA, DOARD, T&I and ECX, ARC, CBE, FCUs and Commercial Farmers	Gonder/Amhara	MSP was conducted and discussion was held among the participants on the sesame sector production and marketing as well the challenges and remedies
EIAR/ Werer ARC and TARI/ Humera ARC	Humera/ Tigray and Werer/Afar	Introduction of non-shattering variety for adaptation trail and then for multiplication when approved for the benefit of the sesame producers
EPOSPEA	Dubai/UAE	The President and General manager are sponsored by AGP AMDe and member exporters were part of the 76 delegation
EPOSPEA, FCA, ATA, MOT and CBE	Addis Ababa and regional Representatives	Marketing competitiveness training on export marketing, contract and LC negotiation and opening as well incoterms and logistics.
Agro Prom International Plc	Addis Ababa	Grant Support for modern sesame cleaning machine as well for Chick Pea humus product

Sesame Value Chain Activity Tracker January – March 2014

Activity #	Activity Description	Indicator and Unit	Q3 - This Quarter			Cumulative up to this Quarter		Reason for Variance
			Target	Achieved		Achieved		
				Number	%	Number	%	
IR 1: Improve the Competitiveness of Sesame Value Chain								
Sub IR 1.1: Volume and value of marketed value chain surpluses increased as a result of improved end-market competitiveness and trade								
OP 1.1.1: Marketing Systems and Practices Improved								
	Conduct SMFM management training (gender focused leadership, record keeping, business planning and marketing) to cooperative leaders and staff	# of trainees		59		138	99	
	Assess market issues, challenges and opportunities in major ECX primary market centers	# of primary markets assessed	6	8	133	15	107	
	Conduct M4 assessment of the existing FCUs and private firms	# of traders, exporters or FCUs/PCs assessed	7	5	71	19	100	
OP 1.1.2: Specific and Effective Market Linkages Created								
OP 1.1.3: Promote Export Market Linkages								

Activity #	Activity Description	Indicator and Unit	Q3 - This Quarter			Cumulative up to this Quarter		Reason for Variance
			Target	Achieved		Achieved		
				Number	%	Number	%	
	Facilitate marketing agreements among FCUs, TMF, private sesame processors and exporters and producers for increased export market performance	# of MTs exported	4,000	10,121	253.0	14,783	148	High effort and opportunities in facilitating export and also report includes private partners export sales
Sub IR 1.2: Increased volume and value of commodities purchased from smallholders								
OP 1.2.1: Post-Harvest Losses Reduced and Farm Income Opportunities Expanded Through Mechanization								
OP 1.2.2: 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	# FCUs/PCs/farmers producing sesame		4		42	525	Note: data in the late quarters is to include unreported data for previous quarters. More model farmers and commercial farmers have been supported
	Multi-stakeholder meeting facilitated twice a year in each region to update on project progress and ensure B2B connections	# of MSPs	2	1		2	50	The others are planned for next quarter

Chickpea Value Chain

Overview

Chickpea is the most important grain legumes of Ethiopia which share 14.3% the total acreage (1.6 million ha) and 17.21% of the total production (23.2 million ton) of all pulse crops. It is grown by over 1 million farmer households. This crop is an excellent source of protein and important source of cash income for smallholder producers. AGP-AMDe target for the chickpea value chain is to expand improved production to meet the growing domestic and export markets. Thus, the major achievement of AGP-AMDe in this quarter focuses on increasing sales of chickpea produces by smallholder famers (SHF) to their PCs and FCUs and establishing seed system to access and satisfy the need of SHF sustainably.

Summary of key results

The major results during the current quarter includes the following.

Incremental Domestic sales: As part of the AGP-AMDe major focus on chickpea marketing, remarkable results are achieved through reliable marketing linkage via inter-union trade linkage. Therefore,

- Out of the total 1,036.2 MT quantity agreed to be purchased a total of 843 MT valued at USD 443,074 is sold
- From the total traded chickpea, the newly joined partner Kesem FCU has increased its chickpea sale from zero to 500 MT valued of USD 216,837 to Wodera FCU supported by AGP-AMDe market linkage activities.
- Similarly, Lume, Erer and Becho Wolliso including Bale green plc (a new commercial farmer partner) increased their sales by 145 MT At value of USD 59,385 USD.



Loading of sold Chickpea from Kesem store to Wodera

Market linkage results

Chickpea type	Seller (FCU)	Buyer	Volume Sold	Value
			(MT)	USD
Kabuli seed	Tsehay (N/Gondar)	Zone Agri. office	198.2	166,852.04
Kabuli	Kesem (N/Shoa)	Wodera FCU	500	216,836.73
Kabuli	Lume Adama (E/Shoa)	Guts Agro Ind.	5	2,724.49
			5	2,423.47
Desi	Anura Becho	Guts Agro Ind.	30	10,714.29
Kabuli	Erer	Trader	45	18,114.80
Kabuli	Bale Green	Trader	60	25,408.16
Total			843	443,074

Seed Production and Supply System Established: Until this reporting period, out of the total 142.75 MT chickpea seed distributed to 3,756 farmers in the 6 FCUs of Erer, Lume, Becho wolliso, Tsehay, Wodera and Ghion, 272.4 MT (19%) have been collected.

Year	Distributed (MT.)	# of farmers	(ha)	Seed repaid (MT)	Remarks
2012/13	2.24.9	3,697	1,900.00	135.6	Consists the three existing FCUs of Tsehay, Becho and Lume
2013/14	1,42.75	3,756	1,219.13	27.24	All the 6 FCUs including new three FCUs (Erer, Wodera and Ghion)
Total	367.65	7,453	3,119.13	162.84	

Grant Supported Private Partners: Based on the grant component, AGP-AMDe has released grant worth of USD116,479 for Bale green plc and USD 66,411 for Guts Agro Industry who are engaged in chickpea farming in Bale Zone Oromia region and food processing industry in Hawasa (SNNPR) respectively. These two private sectors are contributing to ensure a significant and sustainable income to smallholder farmer by engaging both on chickpea production of chickpea and processing (value addition).

Key Activities and Successes

Export market linkage: Chickpea producing FCU Lume Adama, TMF from Tigray and Agro Prom plc from Addis Ababa supported by AGP-AMDe and Wodera FCU (supported by ATA) participated in Dubai for the Gulf Trade show. The trade show provided the opportunity to participants to promote Ethiopian chickpea, as well as collect 40 chickpea transactions that could lead to potential export revenue.

Chickpea harvest is completed and more effort is exerted on marketing by all FCUs to both domestic and international markets. There is continuous effort and close follow up by the AGP-AMDe due to the prices instability and indecision by the FCUs, still pushing for success in export market.

Export market Linkage

Seller FCU	Buyer	Origin	Volume (MT)	Status
Lume Adama	Woodland Company	Sirilanka	96	Sample have been sent Contract signed by Lume and sent to the buyer. Waiting for a respond Buyers agent checked availability and quality of the stock at the FCU Store
Lume Adama, Wodera, Tsehay	Rasim Narin	Turkey	Not mentioned	Sample have been sent to the buyer

During the trade show there was Business to Business breakfast in which there were about 30 participants both buyers and suppliers from Ethiopia in the B to B program at the Gulf trades show. Promoters from honey association, EPOSPEA and livestock presented about their commodities to the B

to B participants, and discussed on the overall export activities, quality, volume, terms of sales, etc. Quality of the Ethiopian products was one major issue of discussion by foreign buyer from Turkey that needs to be given due attention and action by the Ethiopian exporters' side.

Based on the trade show results by the Ethiopian mission, a meeting has been organized by the consulate office in Dubai attended by 17 trade participants from AGP-AMDe, Ministry of Trade, EPOSPEA, Honey association, livestock and other private and governmental trade sectors. Ato Yibelel, Head of Consul general in UAE, Dubai has opened the meeting by expressing his appreciation to AGP-AMDe for the remarkable support in the realization of the trade participation of the Ethiopian trade mission at the Gulf food show in Dubai for 2014.

Major discussion issues included:

- The reputation obtained from the Gulf trade has created substantial inspiration amongst the Ethiopian exporters for delivering outstanding investments.
- The benefits obtained from the Gulf trade show in particular for exporters seeking new market in the Middle East, Africa and South Asia, being provided with a trade and sourcing platform, where international flavors find world-class business.
- The Head of council General, Dubai, UAE promised and expressed his willingness to closely work with the MoT, AGP AMDe and other concerned trade communities in Ethiopia for the betterment and growth of Ethiopia's global trade participation in the international food trade show in the future. Participants. (Actual data on number of contracts signed will be collected through MoT and EPOSPEA.

Grant support recipient chickpea private partners: Among the AGP- AMDe private partners two have received grant for their further support to chickpea producer SHF.

- **Bale green plc**, who is engaged in seed multiplication has produced 60MT of quality chickpea seed from 20 ha of land at productivity of 3 MT per hectare. Bale green Plc is preparing to plant Kabuli chickpea on 274 ha. in the coming crop season and also work closely with the wheat farmers in Bale zone at Gassera woreda to plant chickpea on 40,000 ha. of land which was left fallow after harvesting wheat. Through this Bale green aspires to bring about a remarkable result to significantly increase the production of Kabuli chickpea using the double cropping system which at the end benefits the farmers with increased income from two crops in two different and adjacent seasons including ensuring sustainable market in the international market.
- **Guts Agro Industry** is one of the few companies in Ethiopia that took the advantages of the new market opportunities created by the current drive of the World Food Program (WFP) towards encouraging the local CSB producers and local farmers through its local procurement program. Guts, joined AGP-AMDe as partner a year ago, is sharing the good practices on the chickpea based foods at different stakeholder meetings organized by AMDe project in Amhara and Oromia regions. Supported by AGP-AMDe, Guts will be able to involve in developing chickpea-based Ready – to – Use – Foods (RUSF) in partnership with WFP, as the product is considered as an effective means of addressing acute moderate malnutrition in Ethiopia and elsewhere in Africa.

Considering the market potential for chickpea flour and increased demand for domestic consumption which accounts 85% of the current Ethiopian chickpea production and the steadily growing trend, Guts has completed all its preparation to launch the chickpea made Shiro at a big event at Yod Abisinia hotel in the 10th of April 2014. More than 150 invitees including high officials from the different sectors are expected to attend this event. Assuming the high production of chickpea flour, Guts has a plan to purchase 10,000 MT of Chickpea annually.

Field inspection of seed multiplication demos and rolling grant: AGP-AMDe provided rolling grant seed and seed for demos for seed multiplication purpose through FCUs in the first quarter of this year. The project has supported the FCUs to inspect the seed multiplication plots in this quarter and the inspection is undertaken by zonal seed quarantine and lab offices. The inspection result indicates that, out of 179.48 ha. of land used for multiplication by 620 SHF only 150.93 ha of land is accepted and 162.6MT of seed is expected. The number of farmers that their plots are accepted are 569. This indicates that the seed multiplication business for SHF by their FCUs is encouraging.

Chickpea seed and grain production: As one of the challenge for SHFs is inaccessibility of reliable and affordable improved variety to increase production and productivity, AGP-AMDe is aggressively working with FCUs to engage them in seed business. Therefore,

- Ghion FCU, registered as the second FCU to obtain license for chickpea and other crops seed multiplication. The AGP-AMDe supported Ghion to fulfil all necessary licensing regulation and requirements for seed multiplication, the FCU is hiring an agronomist and quality controller, contributing to job opportunity as well.
- Currently, Ghion has purchased 4.2 MT of C2 seed from farmers and collected 2.6MT in-kind from the 3.75MT seed distributed by AGP-AMDe in 2013 planting season.

As a result of AGP-AMDe support, the number of farmer beneficiaries, Size of chickpea plots have increased. As harvesting for most FCUs has concluded just a month ago, the seed, grain collection and purchase is still underway.

- Total seed collected is 162.84 MT and compared to the total 367.65 MT seed distributed, the collection remains 44%.
- Similarly, though the total land cropped showed an increase from 1,900 in 2012/13 to 3,119.13 ha in the current year, due to less follow up by FCUs in particular for Becho wolliso, the size of the land covered with Kabuli chickpea declined to 1,219.13 ha (-36%) compared to 1,900 ha in previous year. This had a negative impact with the seed intervention resulting in 789 SHF without seed support during the current year. However, there were continuous and concerted efforts to coordinate the concerned stakeholders from the Oromia region, Zone and Woreda BoA and FCUs, seed enterprise, the results were found to be discouraging however, the effort will continue to see the intended results.

Facilitation on chickpea international workshop: As per the request from the EARI for support to organize chickpea international workshop at Debrezeit, AGP-AMDe has facilitated financial support for accommodation to more than 100 workshop participants attending the program.

- 19 chickpea manuals on best practices of chickpea production and fliers on agronomic practices published by AGP-AMDe is given to the EARI (the manual was prepared by the Ethiopian agricultural research institute).

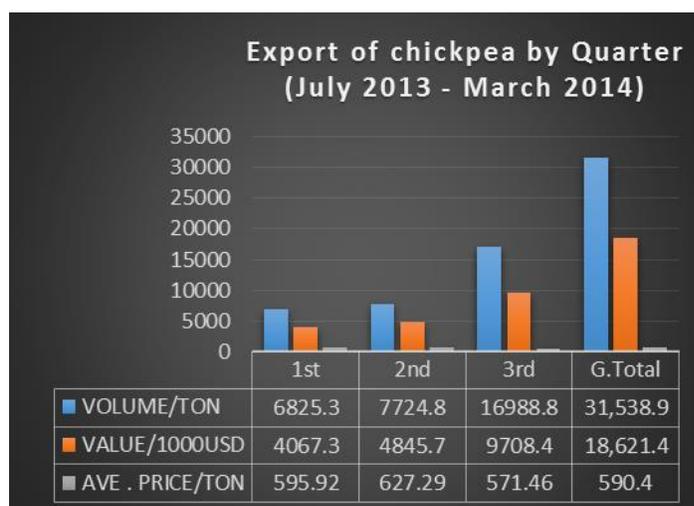
Analysis of the chickpea Value chain

The vast majority of smallholder farmers rely on the informal or farmer seed system saving their own seed or obtaining it through social networks and/or local grain markets. AGP-AMDe, understanding the need for chickpea improved variety seed to bring about notable results for the smallholder farmers has continued to support the smallholder farmers in 6 FCUs of Tsehay, Wodera, Ghion from Amhara and Erer, Lume and Becho Wolliso in Oromia in current year.

Chickpea price fluctuations and sales negotiations: The average seed purchase price by Tsehay this year which is 925birr/Qt. compared to 1250 birr/Qt. in same time of last year (2012/13) showed a 26% decrease. The reason attributed to this decline is mainly the seed level, i.e., C2 generation. Similarly, the average price given to farmers by Lume and Tsehay for the grain which was 850 birr/Qt. this season and compared to same time last year which is 950birr/Qt. showed a decline by 11% and this is due to the decline in price of chickpea by the international market which also hampered exporters to offer good price to farmers/FCUs.

For the FCUs, the major reason behind the inability to export their chickpea product is nothing but due to being slow in deciding and signing of contracts to sell large stock.

International market price trend: As per the information obtained from the trade department of MoT, the volume and value of chickpea export has shown an increasing trend during November through January 2013 and showed a decline during February and started to rise in March 2014. Regarding the volume of chickpea exported during this quarter which is **16,988.8mt** compared to the second and First quarter was showed a 119% and 149% increase respectively. Similarly, the value of chickpea exported during the quarter compared to the second and first quarter showed a 100% and 139% increase. However the volume and value of the chickpea export showed an increase during the period. The price on the contrary was declining. This is attributed to the increase in supply of chickpea not only from the known international suppliers but from others like Ukraine who was not in the picture supplied the world with unexpected volume of chickpea during the period. out of the total 31, 539.9Mt of Chickpea export this year, 59% of the export took place during this 3rd quarter.



Export of Chickpea by Month (July 2013 – March 2014)

NO	MONTHS	VOLUME/TON	VALUE/1000USD	AVg. PRICE/TON
1	July	1,838.9	1,103.0	599.8
2	August	2,521.6	1,640.7	650.7
3	September	2,464.8	1,323.9	537.1
4	October	2,817.0	1,608.0	570.8
5	November	1,582.5	1,060.9	670.4
6	DECEMBER	3,325.3	2,176.8	654.6
7	January	2,963.3	1,872.6	631.9
8	February	5,152.7	2,768.0	537.2
9	March	8,872.8	5,067.8	571.2
	Grand Total	31,538.9	18,621.7	590.4

Source: - Trade department (MoT)

FCUs' license for Export: Most chickpea producer FCUs do not have export license and this affects the opportunity of exporting their product to the international market

Seed multiplication issues:

- No timely Seed repayment by farmers particularly for Becho Wolliso – collaboration by FCU, Zonal and Woreda Agriculture is also very weak which resulted in decreased farmer beneficiaries from the intervention in the current year
- The delay of purchasing and installing Tsehay's cleaning machine suffers to incur high rental cost which may lead for increasing the price of the seed for farmers.

Market information: No efficient mechanisms exist for delivering market information between producers and traders on production levels, demand, seasonal prices, and quality requirements

Pesticides: Lack of adequate knowledge on pesticides and use of right recommendation.

Product Quality: Lack of grading equipment (moisture tester, cleaning, grading etc.) to support post-harvest handling activities

Key Events Undertaken January – March 2014

Date	Name of Event	Location	Value Chain	Total # of participants (# of Female)	Name(s) of AMDe Team Attending	Name of Partner Organizations
	Chickpea international Workshop	Debreziet	Chickpea			
March 23 – 27	Gulf Food Show	Dubai	Chickpea	17	Mesfin Terefe	EPOSPEA, Honey, Livestock assoc. MoT and other Government, AMDE
	Agreement signing between Wodera and Kesem for sale of 5000 MT chickpea	AA	Chickpea			

Partners and Key activities (January – March 2014)

Partner	Location	region	Zone	Woreda	Activities
Becho Wollios	Tulu Bolo Twon/Oromia	Oromia	South West Shoa	Tulu Bolo	Follow up on chickpea purchase by Guts Agro Industry (as per the agreement made in Q2)
Lume Adama	Mojo town	Oromia	East Shoa	Lume	Supported by AGP-made to attend Gulf trade show in Dubai. Sample have been sent to foreign buyers
Erer	D/Zeit	Oromia	East Shoa	Ada'a	There has been close follow up with the FCU on the seed collection and Market linkage issues
Tsehay	North Gondar	Amhara	North Gondar	Dembia	There has been close follow up with the FCU on the seed collection from SHFs and Market linkage issues. samples have been taken and sent to foreign buyers
Wodera	North Shewa	Amhara	North Shoa	Baso	Close follow up on the chickpea seed purchase from Kesem FCU. Sample have been sent to foreign buyers.
Ghion	East Gojjam	Amhara	East Gojjam	Dejen	Close follow up on seed collection. FCU has been supported to obtain seed business license for further seed multiplication
Guts Agro Industry	Hawasa	SNNPR	AA		Close follow up on chickpea product launching
Edget woman Agri business coop	Mojo town	Oromia	East Shoa	Lume	Close follow up on grant process with the grant team to support agro processing
Leye Woman Agri business coop	Tulu Bolo Town/Oromia	Oromia	South West Shoa	Tulublo	Close follow up on grant process with the grant team to support agro processing
Bale green Plc	Bale	Oromia	Bale	Gassera	Follow up on 3 rd Mile stone completion and assured the grant for the purchase of farm machineries.
KAS international plc	AA	AA	AA		Follow up on grant request by KAS plc with the grant team to ensure if the request is as per the grant rule/directives.

Chickpea Value Chain Activity Tracker January – March 2014

Activity #	Activity Description	Indicator and Unit	Q 3 - This quarter			Cumulative Up to this quarter		Reason for Variance
			Target	Achieved		Achieved		
				#	%	#	%	
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								
	Ensure timely collection of quality seed from SHF and PCs based on the seed provided; Cleaning, storage, packing and certification of the seed	# of seed producing FCUs	6	5		5	83	Becho Wolliso did not yet finalized seed collection on time, but they are still expected to do all carry over from last year
OP 1.1.2 Specific and Effective Market Linkages Created								
	Provide support for FCUs, aggregators, commercial farmers, processors and exporters to participate on international trade show	# of participants in trade show	0	1		1	50	Only Lume Adama participated because others had already participated in the previous years.
	Facilitate creation of market linkage with buyers for FCUs and processors (Kabuli and Desi grain product for domestic and export	MT	2,500	843	34	848.8	34	Purchase is still underway and there is price decline for exports

Activity #	Activity Description	Indicator and Unit	Q 3 - This quarter			Cumulative Up to this quarter		Reason for Variance
			Target	Achieved		Achieved		
				#	%	#	%	
	market)							
OP 1.1.3 Promote Export Market Linkages								
Sub IR 1.2 Increased volume and value of commodities purchased from smallholders								
OP 1.2.1 Post-Harvest Losses Reduced and Farm Income Opportunities Expanded Through Mechanization								
	Assist FCUs and PCs in providing grading equipment for Chickpea (Moisture tester, Sample drawer bag Trier, Riffle type Sample divider, Gram Scale with poly scoop and Hand Sieves with bottom pan)	# of PCs adopting	12	0		0		Proposals are prepared and grant is in process to procure grading equipment
OP 1.2.2 Collaboration Between Stakeholders Facilitated and Established								
Sub IR 1.3 Higher smallholder incomes from chickpea production								
OP 1.3.1 The Volume of Marketed Chickpea Increased								

Activity #	Activity Description	Indicator and Unit	Q 3 - This quarter			Cumulative Up to this quarter		Reason for Variance
			Target	Achieved		Achieved		
				#	%	#	%	
	Adoption of new technologies facilitated (in coordination with AGP and input activities for existing FCUs)	# of ha.	0	1,219		1,219	30	Note: This is data from first quarter that was not reported and includes 82.63 ha. used for double cropping of chickpea with Teff (in collaboration with ATA) Adoption is low because Becho Woliso & Lume FCUs did not manage to collect/purchase the seed to provide to other new farmers and some of the product is used as grain because of low quality
	In collaboration with the access to finance team support FCU's to secure loans for purchase of grain harvested in the 2013/14 harvest year	# of FCUs	6	4	67	4	67	1) Lume = 6,000,000 birr for purchase plan of 7,058 MT. at an av. price of 850 birr/Qt. Purchase is underway 2) Tsehay = 10,000,000 for purchase plan of 12,500 Qt. at an av. price of 800 birr/Qt. Purchase is underway 3) Behco = 4,817,800 for purchase plan of 5,668 Qt. at an av. price of 850 birr/Qt. Purchase not yet began 4) Erer = 4,340,489 for purchase plan of 5,101 Qt already done at an av. price of 850 birr/Qt. (9.89 Qt is Desi). All managed to secure this loan by themselves.

Honey Value Chain

Overview

Beekeeping industry provides an excellent opportunity to sustainably reduce poverty and hunger by creating employment and high value food, honey. Large parts of the Ethiopia are known with honey flora diversity to produce a significant and stable supply of honey and honey by-products. To maximize this opportunity, the AGP-AMDe is working 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 line with this, AGP-AMDe, in collaboration with major stakeholders, works on quality and productivity improvement, promotion and market linkages.

Summary of Top Results

- ❖ 523.06 MTs of honey was purchased from the 4 regions and 60.5 MTs has been exported to Norway, Italy, and Sweden.
- ❖ Rahi processing enterprise purchased one MT of honey for 58,025 birr from Gudina Kiltu and Muto Primary Cooperatives.
- ❖ Keffa FCU sold 0.5 MT of honey to Hawassa women retailers
- ❖ Zembaba FCU signed honey trade agreements with TUTU and Apinec. The 10 Zembaba Honey producing member PCs bought 211 MT of honey from SHFs and have already sold 83MTs. Further, Zembaba secured sales agreements with TUTU and Apinec honey processors and exporters to sell 24 MT.
- ❖ Gudina bought 0.314 MT of refined honey with a value of 21,038 from its member farmers for local market.
- ❖ 50 MTs of honey was collected from PCs and model beekeepers of the three project woredas (Endamohoni, Welkayt and Ofela) and was sold in the local market. Similarly, Beza Mar Agro Industry bought 260 MT of honey from SNNPR (Sheka, Kefa) and Oromia (Illu Ababora).
- ❖ 16 samples were collected from different coops and tested by Ethiopian Conformity Assessment Enterprise. The samples were collected from Gudina Kiltu and Muto Honey Producers from Oromia region and 14 samples from Zembaba FCU member coops.
- ❖ SMFM Training cascaded to 450 farmers in three Oromia FCUs (Mum edema, Demitu Honey and Gudina).

Key Activities and Successes

Market Linkages created: The major achievements of this past quarter in the honey value chain are creating market linkages among Zembaba Bee keepers and Honey Marketing FCU, Keffa Honey Farmers' Cooperative Union, Gudina Kiltu and Muto Honey Producers Coops have made a link with Rahi Mar, TUTU and Her Family, Apinec processing companies. AGP-AMDe provided significant support to all producers and processors in linking with local and international buyers.

- Rahi Honey processing enterprise with Gudina Kiltu and Muto Honey Producers' Coops based on the agreement Rahi purchased 1.055 MT of honey at a price of Birr 58,025.00 Keffa Honey Farmers' Cooperative Union sold 0.5 MTs of honey to Hawasa women retailers and;
- Zenbaba FCU signed honey sales agreements with TUTU and Apinec. The ten Zembaba Honey producing member coops have currently bought 211.20 MT (83.075 MT) of honey from farmers and made available for market. From this stock TUTU and Apinec honey processors and exporters made an agreement with the union to buy 24 MT in the month of March, 2014.

The following table shows the honey stock available until March, 2014 in the hands of FCUs.

	Coop	Quantity of stock honey in Quintal	Total estimated value in Birr
1	Tana Zuria /Abeba	48	
2	Agunta	265	
3	Kokeb	79	
4	Addis Alem	170	
5	Biruh Tesfa	8	
6	Maru Kemes	20	
7	Tsedey	50.5	
8	Andnet	15	
9	Marshet	28	
10	Ediget Chora	105	
11	Non -member Coop's	42.25	
	Total	830.75	4,569,125

- Gudina Honey and Bee producers' coop in South West Showa Zone of Oromia Regional State has bought 0.314 MT of refined honey from its member farmers for local market. The average price per kg was Birr 67.00 and the total money expended for this quantity was Birr 21,038.
- A total of 50.0MTs of honey has been collected from primary cooperative and model beekeepers of the three project woredas (Endamohoni, Welkayt and Ofela) in Tigray Region and was sold in the local market from February 1-14, 2014.

S/N	Woreda	Unit	Amount of honey harvested		Total honey harvested in tones
			Modern hive	Traditional hive	
1.	Ofela woreda	Ton	3.8	1.2	5.0
2.	Welkayt	Ton	1.0	2.6	3.6
3.	Endamohoni	Ton	0.1	41.4	41.4
	Total				50.0

- Similarly, Beza Mar Agro Industry has bought 260 MT of honey from SNNP (Sheka, Kefa) and Oromia (Illu Ababora) during the months Jan, Feb and March 2014. During the same period this company exported 60 MT to Norway and Italy.
- On top of these, COMEL Pvt.Ltd.Co has also exported 0.5 MT of honey to Sweden in January. The detail of the exported honey is indicated in the following table below.

Company	Unit	Date of Export	Amount of honey exported in MT	Destination
COMEL Pvt. Ltd. Co	Ton	January 21/2014	0.5	Sweden
		Sub to tal	0.5	
Beza Mar Agro Industry	Ton	January	20	Norway
		February	20	Norway
		March	20	Italy
		Sub Total	60	
		Grand Total	60.5	

- Export Competitiveness Symposium was held in Addis Ababa for two days On Feb 3-4, 2014 to capacitate exporters and bring together other service providers. The fundamental objective of the training was to capacitate exporters and bring together other service providers to discuss what problems are existing in the area of honey, sesame and coffee value chain during the export process. In this symposium 8 honey processors, exporters and association members have participated.

Fair Trade Certification: Zembaba FCU has a plan to enter in to an international market very soon. To this end, AGP- AMDe has provided a series of technical and financial support to the union as well as to member PCs to make them able to get Fair Trade Certification which is one of the requirements to export bee products. Before the external audit firm came and examined 8 member PCs, AGP- AMDe in collaboration with the union has provided pre-audit assessment supports and also covered the audit service fee based on the grant agreement.



Participation in Gulf food show: This trade fair was held through **February 23-27/2014 in UAE (DUBAI World Trade Center)**. The main objective of the Gulfood show was to strengthen network between FCUs and potential buyers and to also to create international market. In the case of honey, Ethiopia has been represented by the Ethiopian Honey and Beeswax Producers and Exporters Association (EHBPEA), S.Y.E Agro processing Industry, COMEL Honey processing company.

Honey Quality testing: To evaluate the quality of marketable honey in Amhara and Oromia regions, 16 samples were collected from different coops and tested by Ethiopian Conformity Assessment Enterprise. The samples were collected from Gudina Kiltu and Muto Honey Producers from Oromia region and 14 samples from Zembaba FCU member coops. This honey quality test at home is helpful to evaluate how well the technical trainings and supports given by different organization is implemented by each value chain actors The following table portrays how much the result is in line with the set standard

	Characteristics	Standard requirement	Test result	Comment
1	Moisture content, % by mass	21.0 max	16 – 17.5	Very good
2	Acidity , in milli -equivalent acid per Kg	40.0 max	15-16	Very good
3	Mineral content(ash), % by mass	0.6 max	0.09 – 0.1	Very good
4	Water insoluble matter in m/100gm	0.1 max	0.4 – 0.43	X
5	pH value	-	3.6 - 3.8	-
6	Hydroxymethyl Furfural content, mg/kg (HMF)	40.0 max	1.6 – 2.0	Very good
7	Electronic conductivity	-	0.2	-

Observations

The two honey producers; Kaffa Forest honey and Bench Maji honey producer FCUs are AGP- AMDe's partners and financial and technical support have been provided to them.

One of the intervention areas is to support Kaffa Union to construct honey collection and processing center at Bonga town. The project is now, as it is seen in the picture below, its civil work

is almost reached to 70% and has utilized almost 79% of its budget. With the remaining 21% the union will complete the ceiling, floor work, window and door fixation, and general finishing works. It is believed that the construction will be completed at the beginning of next quarter.



Honey collection house under construction in Kefa Forest Honey production and Marketing Union (Bonaga)

Participate on National ApiExpo launching event: EHBPEA, EBA and EAB jointly proposed conducted a 5 days National ApiExpo on May 9-13, 2014 at Addis Ababa National Exhibition Hall so as to launch its start-up and brief the objectives of the expo to their members, governments and NGOs, medias and other stakeholders; the organizing committee conducted launching program at Hilton Hotel on March 18, 2014. The theme selected for this event is “ **Beekeeping for the Ethiopian Economic development and Transformation.**” The expo was aimed at promoting Ethiopian honey to potential buyers, to strengthen market linkage, to clearly understand buyer’s requirement in regard to quality, labeling and packaging and to enhance the capacity of private sectors and associations.

SMFM Training: Three coops in Oromia region; Mum Ddema, Demitu Honey Producers coop and Gudina Bee and Honey cascaded SMFM training to 450 farmers in the month of January. Mum Ddema and Demitu Honey producers coop in Gera woreda trained their members using SMFM approach. Mume Demma Coop trained 150 farmers (109 male and 41 female) and Demitu Honey Producers coop also trained 150 (90 male and 60 female) trainees in Jan 15, 2014. Gudina Bee and Honey producers coop (Oromia region) has delivered Honey quality improvement and marketing training for 150 trainees at different farmers training center (FTCs) in Woliso during Jan 27, 2014. Among the trainees 75 were female farmers.



MSP meeting: Multi-stakeholder of the Honey VC meetings was carried out jointly with AGP-AMDe and GRAD project in Wekiro (Tigray) on Jan 17, 2014. On this workshop, a total of 69 (2 women) people attended the workshop. The workshop brought different stakeholders all together and discuss on issues on the honey sector. During the wrap-up session, participants came up to prepare action plan and identified who is working what in the coming 6 months.

M-4 assessment: M-4 assessment on five primary cooperatives engaged on honey production in Endamohoni and Ofela Woredas was conducted from February 28-March 3/2014. From this assessment the status of the internal capacity and the challenges of the cooperatives have been identified.

Analysis of Honey Value Chain

Opportunities:

- One of Ethiopian honey potential buyers like EU countries honey consumption is increasing by more than 3.0% annually. The participation of processors and exporters in different national and International trade fairs and promotion works also created significant Ethiopian honey demand.
- The countries massive land reclamation created wide beekeeping job opportunity for youths and women.
- Strong support that comes from different organizations helped more in improving both the quality and quantity of honey and market facilitation.

Challenges

- Shortage of honey supply
- Nearly 90% of honey product is sold for income generation in Ethiopia and of this amount, 80% is used for *tej* brewing. This situation coupled with increasing of domestic table honey consumption created shortage of exportable honey.
- The whole domestic honey market lacks proper structure and legality. Moreover, the market faces challenges like smuggling that pushes the legal actors out of market.
- In many cases, adulteration of honey has been frustrating for both the producers and legal buyers and sellers as the traceability and accountability is a big challenge. Adulteration is a growing threat both for honey and beeswax.
- In their marketing strategies, FCUs and coops are not strong enough to determine their target market and set out their plan to address the needs of that market. They did not develop product, pricing, distribution and promotion strategies.
- Certification:-Very few processors do have varieties of quality certificates like: Organic, ISO, Fair Trade, etc. and most of the honey exported is sold on conventional market.

Key Events Undertaken

Date	Name of Event	Total # of participants (# of women)	Location (city, woreda, region/country)	Name(s) of AMDe Team Attending	Name of Partner Organizations
Jan 15	SMFM training	300 (102 were F)	Gera, Agaro	Assefa	Mum Ddema and Demitu Honey Producers coop members
Jan 17	MSP	69(2 F)	Wokro(tigray)	Fekre	Producers, processors, exporters, GOs, NGOs
Jan 27	SMFT	150 (75 were F)	Woliso	Assefa	Gudina Bee and Honey coop members
Feb 3-4	Export Competitiveness	Total number honey communities was 12 of which 6 were females	Addis Ababa	Vanessa, , Assefa, Bisrat,	EHBPEA, Rahi Honey, Thesdey, Simret,Tutu, Apinec,
March 18	Apiexpo launching program	80	Addis Ababa	Vanessa, Ahadu, Assefa, Bisrat	EHBPEA, honey and wax Processors, exporters, EBA, EAB, GOs, NGOs, Other service providers

Partners and Interventions (January – March 2014)

Partners		Location (Woreda, Region)	Interventions during Jan-Mar 2014 quarter	Results in the quarter
Working groups	Organization			
Processors	COMEL	Tigray (Mekele)	<ul style="list-style-type: none"> ▪ AGP-AMDe provided grant for processing machinery purchase, ▪ training, ▪ Support in participation of an International Trade Fare, ▪ Market linkage ▪ MSP participation ▪ Technical support 	<ul style="list-style-type: none"> • 0.5 MT of honey is exported to Sweden. • Highly involved in domestic market
	DIMMA PLC	Tigray (Adigrat)	<ul style="list-style-type: none"> ▪ Market linkage ▪ Training, ▪ Technical support 	<ul style="list-style-type: none"> • Highly involved in domestic market • Link with producers is enhanced
	Beza Mar	Oromia (Adama)	<ul style="list-style-type: none"> ▪ AGP-AMDe provided grant for purchase of honey processing machine, ▪ Market linkage, ▪ Training, ▪ Support in participation of an International Trade Fare, ▪ MSP participation 	<ul style="list-style-type: none"> ▪ Sheka, Kefa and Illu Ababora individual farmers sold 260 MT ▪ Parodi Apicultura bought 20 MT
	Rahi Honey	Oromia (Adama)	<ul style="list-style-type: none"> ▪ Market linkage ▪ Training ▪ MSP and workshop participation 	<ul style="list-style-type: none"> ▪ Gudina Kiltu Honey Producers coop sold 1055KG and ▪ Muto Honey producers coop

Partners		Location (Woreda, Region)	Interventions during Jan-Mar 2014 quarter	Results in the quarter
Working groups	Organization			
	Thesedy	Oromia (Sululta)	<ul style="list-style-type: none"> ▪ AGP-AMDe provided grant for purchase of honey processing machine, ▪ Training, ▪ Support in participation of an national Trade Fare, ▪ MSP and workshop participation 	<ul style="list-style-type: none"> • Made contact with Selale honey producers • Participated in MSP meeting • Trained on international market training
	Kefa honey Marketing Union	SNNP (Bonga)	<ul style="list-style-type: none"> ▪ AGP-AMDe provided grant for ware house construction ▪ Support to participate in national trade fare ▪ training, ▪ MSP participation ▪ Technical support 	<ul style="list-style-type: none"> • With the grant provided ware hose and processing house is under construction, • Hawassa Honey Retailer bought 500 KG from the union
FCUs	Bench Maji Forest coffee coop Union	SNNP (Mizan)	<ul style="list-style-type: none"> ▪ Support to participate in national trade fare ▪ Training, ▪ MSP participation ▪ Technical support 	<ul style="list-style-type: none"> • Made contact with local honey traders • Participated in MSP meeting in Tigray • Trained on marketing and PHH training
	Zenbaba Honey Marketing Farmers coop Union	Amhara (Bahir Dar) 10 PCs	<ul style="list-style-type: none"> ▪ AGP-AMDe provided grant for purchase of honey processing machine, ▪ Market linkage, ▪ Training, ▪ Support in participation of an International Trade Fare, ▪ MSP participation 	<ul style="list-style-type: none"> • TUTU and Apinec Honey and wax exporters companies Bought 24MT • Made contact with Parodi Apicultura honey buyer • FT certification process assisted

Partners		Location (Woreda, Region)	Interventions during Jan-Mar 2014 quarter	Results in the quarter
Working groups	Organization			
	Ashenge	Tigray (Ofa)	<ul style="list-style-type: none"> ▪ AGP-AMDe provided grant for purchase of beekeeping equipment ▪ Support to participate in national trade fare ▪ Market linkage ▪ Training, ▪ MSP participation ▪ Technical support 	<ul style="list-style-type: none"> • Using the grant fund buys beekeeping equipment • Displayed its honey and other bee products at Bahirdar national trade fare • Market linkage is formed among the producers and the processors
	Bokra	Tigray (endhomeny)	<ul style="list-style-type: none"> ▪ Support to participate in national trade fare ▪ Training, ▪ MSP participation ▪ Technical support 	<ul style="list-style-type: none"> • Displayed its honey and other bee products at Bahirdar national trade fare • Market linkage is formed among the producers and the processors
	Lemlem Wolkait	Tigray (Welkait)	<ul style="list-style-type: none"> ▪ Support to participate in national trade fare ▪ Market linkage ▪ Training, ▪ MSP participation ▪ Technical support 	<ul style="list-style-type: none"> • Displayed its honey and other bee products at Bahirdar national trade fare • Market linkage is formed among the producers and the processors
	Gudina Honey and bee	Oromia (Woliso)	<ul style="list-style-type: none"> ▪ Market linkage ▪ Training, ▪ MSP participation ▪ Technical support 	<ul style="list-style-type: none"> • 450 farmers have taken PHH and marketing training • Participated MSP meeting in Tigray

Partners		Location (Woreda, Region)	Interventions during Jan-Mar 2014 quarter	Results in the quarter
Working groups	Organization			
Coops	WETA	Oromia (Wonchi)	<ul style="list-style-type: none"> ▪ Market linkage ▪ Training, ▪ MSP participation ▪ Technical support 	<ul style="list-style-type: none"> • Participated in Tigray MSP meeting • Marketing and PHH training has been provided • Honey quality and quantity improved
	Gudina Kiltu	Oromia (Goma)	<ul style="list-style-type: none"> ▪ Market linkage ▪ Training, ▪ MSP participation ▪ Technical support 	<ul style="list-style-type: none"> • Participated in Tigray MSP meeting • Marketing and PHH training has been provided • Honey quality and quantity improved • Market linkage is formed with processers
	Muto	Oromia (Goma)	<ul style="list-style-type: none"> ▪ Market linkage ▪ Training, ▪ MSP participation ▪ Technical support 	<ul style="list-style-type: none"> • Participated in Tigray MSP meeting • Marketing and PHH training has been provided • Honey quality and quantity improved Market linkage is formed with processers
	Mume Dema	Oromia (Gera)	<ul style="list-style-type: none"> ▪ Market linkage ▪ Training, ▪ MSP participation ▪ Technical support 	<ul style="list-style-type: none"> • Participated in Tigray MSP meeting • Marketing and PHH training has been provided • Honey quality and quantity

Partners		Location (Woreda, Region)	Interventions during Jan-Mar 2014 quarter	Results in the quarter
Working groups	Organization			
				improved
	Demitu	Oromia (Gera)	<ul style="list-style-type: none"> ▪ Market linkage ▪ Training, ▪ MSP participation ▪ Technical support 	<ul style="list-style-type: none"> • Participated in Tigray MSP meeting • Marketing and PHH training has been provided • Honey quality and quantity improved • Market linkage is formed with processors
	Chilimo	Oromia (Dendi)	<ul style="list-style-type: none"> ▪ Training ▪ Technical support 	<ul style="list-style-type: none"> • Incorporated beekeeping with Forest management • Participated in Tigray MSP meeting
Gov't Organization s	MoA, Coop Dev Agency, MoT, Mol	A.A	<ul style="list-style-type: none"> ▪ MSP meeting ▪ Participate in both national and international trade fare 	<ul style="list-style-type: none"> • Participated in MSP meeting in Tigray • Marketing training has been provided • Participated in an international and national trade fare
	Holeta Bee research Center	Oromia (Holeta)	<ul style="list-style-type: none"> ▪ Secured grant fund 	Based on Milestone I discussion with the farmers and local Gov't has started
	Eth. Conformity Assessment Agency	A.A	Honey quality test , service fee is paid	Good communication has been developed
	Ethioian Beekeeping Association (EBA)	A.A	<ul style="list-style-type: none"> ▪ MSP participation ▪ Training 	<ul style="list-style-type: none"> • Participated in Tigray MSP meeting • Marketing training has been provided

Partners		Location (Woreda, Region)	Interventions during Jan-Mar 2014 quarter	Results in the quarter
Working groups	Organization			
				<ul style="list-style-type: none"> • Participated in an international and national trade fare
Associations	EHBPEA (Ethiopian Honey and Bees wax Producers and Exporters Association)	A.A	<ul style="list-style-type: none"> ▪ Support to participate both national and international trade fare, ▪ Market linkage ▪ Training, ▪ MSP participation, ▪ Technical support 	<ul style="list-style-type: none"> • Participated in Tigray MSP meeting • Marketing training has been provided • Participated in an international and national trade fare
Boards	EAB, Regional Boards	A.A	<ul style="list-style-type: none"> ▪ Support to participate both national and international trade fare, ▪ Training, ▪ MSP participation 	<ul style="list-style-type: none"> • Participated in Tigray MSP meeting • Marketing training has been provided • Participated in an international and national trade fare

Honey Value Chain Activity Tracker January – March 2014

Activity Description	Indicator and Unit	Q3-This quarter			Cumulative up to this quarter			Variance Explanation
		Target	Achievement		Target	Achievement		
			#	%		#	%	
Improve the Competitiveness of Honey VC								
Volume and value of marketed value chain production increased as a result of improved end-market competitiveness and trade								
M4 Assessment	# assessment		0		7	6	85.7	Due to staff turnover (Honey Value Chain Expert) in Oromia region, M4 assessment was not conducted this year.
Deliver SMFM management training (gender focused leadership, record keeping, business planning and marketing) to cooperative leaders and staff	# of trainees		0		130	90	69.2	Due to HV expert staff turnover in Oromia region, this training was not given, it will be provided next quarter.
Deliver SMFM agricultural / PHH, input/training to farmer trainers /lead farmers.	# trainers trained		0		130	110	84.6	This will be also covered next quarter
Cascade SMFM agricultural /PHH input/ to farmers and operators	# of trainees		450		7800	7001	89.8	
Build on success of domestic market linkages and facilitate sales agreements between buyers in identified domestic markets, cooperatives, FCUs	Volume of sale in MT		394.9		116	394.9	340.5	
Build on success of market linkages and facilitate sales agreements between buyers in identified export markets, exporters, and	Volume of sale in MT		60.5		151	227.495	150.7	This result is obtained after many national and international market linkage efforts.

Activity Description	Indicator and Unit	Q3-This quarter			Cumulative up to this quarter			Variance Explanation
		Target	Achievement		Target	Achievement		
			#	%		#	%	
cooperatives/FCUs								
Investments in equipment and construction for processing and collection centers (FCUs/Coops.)	# partners		1		4	1	25	Due to long grant process many applicants did not get financial support from AGP-AMDe,
Support key stakeholder participation in 4 domestic trade shows	# of participants		4		46	6	13	The trade show in all regions will be held Q4
Expand capacity and presence of EHPBEA in international markets including key stakeholder participation in 4 international trade shows or trade missions (Ukraine, Germany, Dubai, US	# of participants		3			4		
Multi-stakeholder meeting facilitated annually in each region to share best practices and lessons learned and ensure B2B connections	# MSPs		1		10	4	80	one international MSP will be conducted next quarter
Facilitate the distribution and sales of modern hives, accessories, and other embedded services from FCU/ cooperatives, private input providers to smallholder beekeepers (especially women) on commercial basis	# small holder receiving and adopting improved technologies		0		900	46	5.1	This was to be funded by a grant, however due finance shortage this activity will not be conducted

Activity Description	Indicator and Unit	Q3-This quarter			Cumulative up to this quarter			Variance Explanation
		Target	Achievement		Target	Achievement		
			#	%		#	%	
Facilitate laboratory tasting of honey and other bee products in each region	# stakeholders		16		4	36	900	Local honey quality test is important to conduct self-evaluation and to popularize the product. In this case many farmers and FCUs were interested to check their honey quality

Maize Value Chain

Overview

Maize is one of the most important strategic crops selected for food security mainly due to its high productivity and adaptability in higher, mid and low altitude ranges. Maize plays a crucial role in Ethiopian food security, providing approximately 20 percent of caloric intake and smallholder farmers grow 94 percent of the crop. Ethiopian farmers grow maize both as subsistence and a cash crop. However, the smallholder farmers lack access to markets and financing required to shift maize from informal, subsistence markets to more formal, value-added markets. Productivity remains below potential due to low input usage, shortage of hybrid maize seed supply, low quality of planting materials and limited crop rotation. There are significant post-harvest losses of 15 to 30 percent of production, primarily on-farm. The national maize commercialization rates are low at approximately 20 to 30 percent. Additionally, smallholder farmers are vulnerable as producers and consumers to food safety concerns from aflatoxins.

The major government initiatives in maize sector are to increase productivity and production using improved technologies, reduce post harvests loses, value add and improve commercialization of maize for the betterment of the livelihood of smallholder farmers, and actors in the value chain from seed supply to marketing. These are aligned with the AGP-AMDe objectives, which are increasing productivity and commercialization, along with improving quality and reducing post- harvest losses to increase SHFs income. In order to achieve these objectives, AGP-AMDe is introducing new technologies (the most important being the improved hybrid maize varieties), increasing the use of farm input technologies, adopting improved post-harvest technologies by both SHFs and commercial farms and increasing private sector involvement for farm input supply services and technology rental services. Introducing improved hybrid maize varieties is the leading strategy to increase production and yield. AGP-AMDe successfully implemented three new hybrid seed technology transfers of Pioneer hybrids (Shone and Limmu) and BH661.

Summary of Top Results:

- **AMSAP Year I Results are Outstanding:** In Year I, 320 lead smallholder farmers benefited from AMSAP with significant incremental yields increased incomes, greater access to improved seeds as well as capacity building in agronomic practices and post-harvest handling. As a result, this performance encouraged more farmers to request hybrid maize before the planting season. This shows that AMSAP is a successful seed technology transfer to smallholder farmers.
- **World Food Program (WFP) Purchase for Progress (P4P) Success Highlights Maize Market Opportunity:** The WFP through P4P program is increasing maize production. This year the supply is almost twice as much as last year. As a result, smallholder farmers consider maize like any other cash crop. The minimum guarantee price of P4P contributed in price stability and convinced farmers to rely on marketability of maize.
- **Capacity building through trainings, workshops and meetings:** In this quarter, seven types of trainings delivered to 4,770 trainees (2,164 women). Four workshops and one MSP meeting were held at different locations and 257 attendees participated.

Key activities

Seed Technology transfer through AMSAP Pioneer hybrid maize demonstration and BH-66I hybrid maize variety popularization succeeded:

- **AMSAP Year 1 Results are Outstanding:** AMSAP implemented in all 16 woredas in Year 1 and 320 lead smallholder farmers benefited from AMSAP with significant incremental yields increased incomes, greater access to improved seeds as well as capacity building in agronomic practices and post-harvest handling.
 1. National average yield/ha of 22 qts, the AMDe baseline;
 2. Average AMSAP woreda demo yield/ha of 34 qts **before** the intervention;
 3. Average AMSAP demo yield/hectare (ha) **after** intervention is 69 qts;
 - The minimum average yield of AMSAP is 48 qt/ha.
 - The maximum average yield of AMSAP is 87 qt/ha.
 - For the 16 AMSAP woredas, there was an incremental yield of 35 qt/ha.
 - Versus the baseline, the 16 AMSAP woredas had an incremental yield of 47 qt/ha, an increase of 214%.

- **BH-66I hybrid maize popularization:** The new hybrid maize variety of Bako Research Institute is also well received by smallholder farmers. Even though seed companies are not ready to supply certified seed variety for 2014 crop season, smallholder farmers are ready to purchase basic hybrid maize from Bako Research Institute. Therefore; capable and interested seed enterprises should be assisted to get foundation seeds from Bako Research Institute and produce certified hybrid maize for farmers in the demonstrated woredas of Amara and Oromia regions.

Market Linkage and Sales: Implementation support was given to the 14 FCUs that signed an MOU agreement with WFP to supply 26,250 MT of white maize through P4P program. Technical support to access finance for P4P through preparation of bankable business plan, technical advice on warehouse management, printed bag preparation and preparation of purchase contractual agreement were the major ones. Accordingly, most of the FCUs are now in a position to start intensive purchasing activity.

Sales agreement between WFP P4P and 14 Farmers' cooperative union signed

	Name of FCU/Region	Maize to supply (MT)	FCU gate price/qt (ETB)	Remark
	I. Amara region			
1	Merkeb FCU	4,500	540	
2	Damot FCU	2,000	480	
3	Gozamen FCU	1,500		Declined
4	Admas injibara FCU	1,500	535	
	total (I)	9,500		
	2. Oromia region			
1	Gibe dedesa FCU	1,000	440	

2	Liben Woliso FCU	1,000	496	
3	Ambo Farmers FCU	1,000	475	
4	Haragu Farmers FCU	1,500	430	
5	Boro Bako FCU	1,000	430	
6	Limu enara	1,500	440	
	total (2)	7,000		
	3. SNNPR			
1	Sidama Elto	4,000	518	
2	Admas wolkitie FCU	4,000	470	
3	Oysa Dawro FCU	500	420	
4	South OMO FCU	1,250		Declined
	total (3)	9,750		
	Grand total	26,250		

Capacity building through trainings, workshops and meetings: In this quarter seven types of trainings delivered to 4,770 trainees (2,164 women). Four workshops and one MSP meeting were held at different locations and 257 attendees participated in the events. The details are described under the event table. Female participants in the trainings and meetings were 37% and 4% respectively. Amara held a MSP stakeholder with 45 participants. The discussion topics were focusing on Seed technology transfer and marketing of Maize in the region.

Analysis

Challenges/Constraints

- The spot market price is the value of the maize in the given supply period at the spotted market place. Based on this spot market price, the sales price agreement is signed between the selected FCUs and WFP for P4P program. Out of 14 FCUs that are committed to supply the planned 26,250 MT of white maize from the incoming harvest; two FCU (Gozamen & South Omo) declined to supply because of the low spot price of maize.
- High farm-gate prices, especially at the beginning of harvest season that exerts negative impact on FCUs' competitiveness.
- Lack of fumigation & required sheets before maize is delivered to WFP.
- Limitation of storage capacity at both the FCU and PC level slowed collection process.
- Increasing costs of sacks with WFP logo is impacting margins.

Opportunities

- World Food Program (WFP) through Purchase for Progress (P4P) program is increasing maize production. This year 14 FCUs signed an MOU to supply almost twice as much as last year. As a result, maize is becoming good cash crop and has training in cultivation and post harvest handlings. FCUs are learning more about marketing and selling white maize to a standard market, which could lead them to export opportunities.
- Dissemination of high yield new hybrid maize seed of pioneer (Shone, Limu) and BH-661 hybrid maize to smallholder farmers. According to pre harvest assessments, the yield of all the

three varieties doubled versus the base year production. The demand for these hybrid seeds around the demonstrated areas for the coming season is higher than anticipated.

Partners and Interventions in Maize value chain

Partners	Location (woreda region)	Interventions	Target Completion Date
Bako Research Center	Bako	infrastructure	2013/14
EIAR		infrastructure	2013/14
DuPont Pioneer	Addis Ababa	seed technology	2015/16
WFP	Addis Ababa	Marketing	2013/14
Agricultural Transformation Agency	Addis Ababa	Alliance in P4P in maize	2015/16
Ministry of Agriculture	Addis Ababa	stakeholder	2015/16
Ministry of Trade	Addis Ababa	stakeholder	2015/16
Federal Cooperative Agency	Addis Ababa	Facilitation in marketing	2015/16
Regional Cooperative Agency	Addis Ababa	Marketing, Facilitation in marketing	2015/16
Gibe Dedessa FCU	Guru Gida	Ware house construction, Facilitation in marketing	2014/15
Admas FCU	Wolkite	Ware house construction, Facilitation in marketing	2014/15
Sidama Elto FCU	Hawassa	Ware house construction, Facilitation in marketing	2014/15
Gozamen FCU	D/Markos	Ware house construction, Facilitation in marketing	2014/15
Damot FCU	Bure	Ware house construction, Facilitation in marketing	2014/15
Licha FCU	Hosaena	Ware house construction	2014/15
Merkeb FCU	Bahirdar	Ware house construction, Facilitation in marketing	2014/15
Ethiopia Chamber and Sectoral Association	Addis Ababa	stakeholder	2015/16
Admas Injibara FCU	Koso Ber	Marketing	2013/14
Liben Woliso FCU	Woliso	Marketing	2013/14

Partners	Location (woreda region)	Interventions	Target Completion Date
Limu Ineria	Limu seqa	Marketing	2013/14
Ambo Farmers FCU	Ambo	Marketing	2013/14
Haragu Farmers FCU	Haragu	Marketing, Farm machinery	2013/14
Oysa Dawro FCU	Dawro	Marketing	2013/14
South Omo FCU	Omo	Marketing	2013/14
Mohamed Awol Borer Tedele Agricultural organization	Wolkite	Seed technology transfer, Cleaning plant installation	2013/14
Avallo plc	B/Dar	Seed technology transfer, Seed cleaning plant	
Nile seed plc	B/Dar	Seed technology transfer, Post harvest technology	2014/15
Gobena Gadisa commercial sfarm	Ambo	Basic seed	
Improved Seed Sector Development (ISSD) in cooperation with three PCs (Ghusa PC, Marwolld PC, and Metadel PC)- Bahirdar University	Bahirdar	Seed technology transfer, Agricultural machineries	2013/14
Oromiya Seed Enterprise (ESE)	AA	Seed management training	2013/14
Gozamen FCU	Debre Markos	Ware house	2013/14
Bako FCU	Bako	Marketing	2013/14
AGP	Addis Ababa	Agro processing & marketing	2015/16

Key events undertaken during the Quarter

Date	Name of Event	Location	Value Chain/ Cross Cutting Area	# of participants (# of women)	Name(s) of AGP-AMDe Team Attending	Name of Partner Organizations
Amara						
Jan 12,14	Regional level multi stakeholder platform meeting has conducted on Maize Value Chain	F/Selam	Maize	45 (1F)	Sahle Derbew	FCUs,PCs, Agriculture and coop Bureau ,Zonal and Woreda offices ,Privates seed companies and Agro processers
January 14-17/14	Quality control and grading training for Admas FCU and its PCs employees	F/Selam	''	55 (17F)	Sahle Derbew	Admas FCUs and its PCs and 5 PCs employees from Damot FCU
Jan 18/14	Yield estimation training for BH-661 Maize demo site experts	F/Selam	''	38 (1F)	Sahle Derbew	AGP-FP ,Agronomy ,and DA working in BH-661 Demo site kebeles
Feb 18-19,14	Providing training on Maize Aflatoxin and Health for Maize VC actors	B/Dar	Maize	18 (2F)	Fentahun and Sahle	# of FCU, Private companies and Govt concerned experts
Feb 19,14	AMSAP Reorientation workshop conducted	Bahir Dar	''	56 (1female)	Ato Yohannes, Solomon,Teferi and Sahle Derbew	AMSAP Stakeholders (USAID-AGP-AMD,DUPONT Pioneer, Federal Agri, Coop, ATA, Regional Agri & Coop , Regional AGP ,Zonal and woreda Agri and Cop offices Heads
March 21-22,14	TOT training for AMSAP Targeted woreda experts	Dangila	Maize	31 (3F)	Ato Yohannes and Sahle Derbew	AMSAP Targeted woredas (Allefa, Guangu, S/Achefer,Womberma, Bure Zuria and Jabitenan)

Trainings undertaken during the Quarter

Date	Training Program	# of Participants	# of Women	Location	Partners Attending
Jan. 1-5	SMFM management	36	10	NekeMT	Bako FCU
Jan. 2-3	Workshop on WFP Maize operation procedure for WFP P4P contractual agreement	67	3	Wolayta Sodo	Sidama Elto union, South Omo union, Admas union and Oysa Dawro union
Jan. 12	RMSPP	45	1	F/selam	FCUs and Its PCs
Jan. 14-17	Quality control and grading for Admas FCU and its PCs employees	55	17	F/Selam town	Admas FCUs , Damot fcu
Jan. 18	Yield estimation training for BH-661 Maize demo site experts	38	5	F/Selam town	AGP-FP ,Agronomy ,and DA working in BH-661 Demo site kebeles
Feb. 17-18	TOT on Aflatoxin	18	2	Bahirdar	P4P maize supplier FCUs, Regional AMDe PHH experts
Feb. 18	AMSAP reorientation workshop	56	1	Bahirdar	MoA, ATA, RBoA, RCA, DuPont Pioneer, Regional AMDe
Feb. 19	P4P maize purchase performance evaluation meeting	11	1	Adama	Haragu, B.Bako, Liben and Ambo FCUs, Board chair persons of the fcu, RCA, WFP regional representative
Feb. 28	AMSAP reorientation workshop	60	3	NekeMT	MoA, USAID, RBoA, RCA, DuPont Pioneer, Regional AMDe
Mar. 11-12	AMSAP agronomy TOT	11	1	Jima	Jima zone Agri. Off.
Mar. 11-12	Maize crop protection (pests , diseases and weeds)	9	0	Jima	MoA, RBoA (Agronomist and plant protection experts), Dupont. AMD
Mar. 14-15	AMSAP agronomy TOT	16	2	NekeMT	E. Welega zone Agri. Off.
	SMFM PHH cascading	810	405		YeMTebaber union
	SMFM PHH cascading	464	204		Godefo union
	PHH cascading	3074	1509		
	Total:	4770	2164		

Maize Value Chain Activity Tracker January – March 2014

Activity #	Activity Description	Indicator and Unit	Q3			Cumulative up to this Quarter		Reason for Variance
			Target	Achieved		Achieved		
				Number	%	Number	%	
IR I: Improve the Competitiveness of Maize VC								
Sub IR I.1: Seed technology transferred and scaling up of hybrid seed outreach to farmers increased								
I.1.2	Facilitating the plantation and Top dressing of BH-66I Maize variety on selected maize potential AGP-woredas	# of demonstrations	32	32	100	143	105	
	Develop MOUs with strategic seed producers to promote BH 66I in communities to create demand from improved varieties	# of MOUs signed	0	0	0	5	100	
I.1.3	Organized and conducted Regional & woreda level farmers field day on BH-66I Maize demo sites	# of participants	0	0	0	1254	34	SNNPR farmers were not engaged, because of budget delays; Oromia woredas engaged 4 of 7 targeted
	Promote improved varieties of maize hybrid seed in partnership with DuPont Pioneer through provision of training -	# smallholders with access to hybrid seed	0	0	0	315	98	
I.1.4	Promote improved varieties of maize hybrid seed in partnership with DuPont Pioneer - Investing in AMSAP demonstration sites	# demo sites	0	0	0	191	99	
I.1.5	AMSAP Hybrid Green maize Regional and woreda level field day organized and conducted	# of participants	0	0	0	971	81	Invitees were reduced due to seasonal activities
	Yield Estimation training has conducted for DAs and Woreda experts	# of participants	0	0	0	49	117	Success of popularization & generated more interest & attendance by woreda experts

Activity #	Activity Description	Indicator and Unit	Q3			Cumulative up to this Quarter		Reason for Variance
	Ethiopian private seed companies and cooperative seed producers supported to improve their production practices (the project supports the partners in this quarter on Demo site learning and Knowledge sharing)	# companies	0	0	0	7	100	
Sub IR 1.2: Post harvest handling and technology skills and inputs promoted and improved								
I.2.1	Deliver SMFM agricultural / PHH, input/ training to farmer trainers /lead farmers.	# trainers trained	0	0	0	354	88	
I.2.2	Cascade SMFM agricultural /PHH input/ to farmers and operators	# farmers trained by TOT	0	3074	#DIV/0!	12184	50	Q1 Tot was postponed so Q2 impacted & Q3 continued to action
	Deliver SMFM management training (gender focused leadership, record keeping, business planning and marketing) to cooperative leaders and staff	# of trainees	60	75	125	143	31	Q3 over-delivered as to make up for under-delivery in previous quarters
I.2.4	Investment on Post harvest technologies supported (shells ,fumigation sheet, quality tools, cleaning facilities); Technical support on Grant Proposal preparation for purchasing of Quality grading instruments	# FCUs and PCs	0	2	#DIV/0!	6	46	Q3 over-delivered as to make up for under-delivery in previous quarters
Sub IR 1.3: Market linkages created and improved market systems and practices promoted								
OP 1.1.1: Capacity built for improving Marketing Systems and Practices								
I.3.3	Regional grain market center experience sharing visit under taken	# visits organized	0	0	0	1	2	Not requested by regional trade council
	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	0	0	0	3	100	

Activity #	Activity Description	Indicator and Unit	Q3			Cumulative up to this Quarter		Reason for Variance
	Fulfil the Evaluation of the performance questionnaire / Data's from the 3FCU's/of FCUs in P4P	# of FCUs	0	0	0	3	100	
	Organized and conducted WFP Maize grain delivering preconditions for FCUs and their PCs in addition to line offices	# of participants in the FCUs and PCs	0	18	#DIV/0!	110	93	
	Conducted Quality control and grain grading system ,Aflatoxin disease controlling training for new included FCU employees (Admas) (19F)	# of participants	80	73	91	73	91	
	Technical support on purchasing of grain through supervision at FCU and PC level	# FCUs and PCs supervised	48	12	25	12	25	WFP is only working with 14 FCUs, which is much lower than the 48 forecasted.
Sub IR 1.4: National and regional Multi stake holders platform & learning workshops facilitated								
I.4.2	Two Regional MSP meetings in each region to present work plan and discuss results	# of participants	40	46	115	65	108	
	Organized and conducted one regional level MSP (1F)	# of participants	50	45	90	45	90	

Wheat Value Chain

Overview

Ethiopia is the largest wheat producer in the Sub Saharan Africa countries with an annual production of over 3.3 million MT of wheat on about 1.51 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. Wheat is grown in all four regions where AMDe operates. The wheat production volume share in the regions is estimated to 59% in Oromia, 27% in Amhara, 9 % in SNNPR and about 5% in Tigray. The Agricultural growth program includes woredas that have better wheat production potential and focuses resources on a farmer cooperative unions (FCUs) and primary cooperatives (PCs) to improve productivity, capacity development, technology introduction and market linkages to improve the competitiveness of the wheat value chain and thereby benefits the smallholder farmers at large.

AGP-AMDe wheat value chain goal is to stimulate farmer cooperatives, agribusinesses, traders and processors to work collaboratively to effectively responding to market signals. The result being that farmers become more productive and competitive, enabling a shift to higher profits due to replacing imports with domestic sourcing. This strategy is aligned with the Ethiopia government'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. The availability of newly released highly productive seed variety will improve production and productivity of wheat. The Life of Project strategy is focused on achieving three related objectives:

1. Increase production and productivity through technical and financial supports for quality and quantity seed availability and introduction and expansion of mechanization on the ground in coordination with AGP and MOA extension services.
2. Improve post-harvest handling through capacity building and introduction of new and improved technologies
3. Structured market promotion, capacity building for primary, aggregation markets, and linkages to domestic buyers

Summary of Top Results

- ❖ **Market Linkages:** AGP-AMDe facilitated agreement between two FCUs (Ambo and Lume Adama) that have established wheat processing mill and 14 FCUs involved on wheat production. Contractual agreement were signed for for the supply of more than 5800 MT of which 3887 MT of wheat delivered to date. The FCUs, seed cooperatives and commercial farmers in Tigray sold their wheat to the Ethiopian Seed Enterprise (ESE). In this quarter, Seed and grain wheat purchased by the by the two FCUs (Bokra and Hashange) was 412MT, valued at \$ 164, 545 USD. In addition, five seed FCUs purchased 235.81 MT wheat seed for \$105,815 USD. The CIG Birhu Tesfa has 13 members and aggregated 7.1 MT of wheat, valued at USD/birr 62, 272.50 and got a return of birr 8,122.50 . AMDe facilitated the contractual agreement for the sale of 2200 MT of wheat between three FCUs (Gozamen Ghion and Damot) and EGTE along with Merkeb FCU as they have a wheat processing factory. .
- ❖ **Training:** SMFM post-harvest handling (PHH) trainings were cascaded and given to 3194 (1083 female) members of Melik Silte and Edget FCUs. SMFM leadership training was given to 104 managers from 15 PCs, FCU staff and LDs in Oromia. FCU and 6 PCs of Metema FCU. In addition, 63 participants (8 women) attended the farmer's field day.
- ❖ **Implementing Improved Technology:** Four seed multiplying PCs signed innovation grants with AGP-AMDe for the purchase of tractors to produce quality seed in large volumes

Key activities

Market linkages:

- Output market linkage agreement on wheat marketing was done between two FCUs (Ambo and Lume Adama) that have established wheat processing mill and 14 FCUs involved on wheat production. Contractual agreement for market linkage were signed for more than 5800 MT of wheat between the two parties and 3887 MT of wheat was sold to the millers to date.
- FCUs, seed cooperatives and commercial farmers sold their wheat to the Ethiopian Seed Enterprise (ESE). The total seed and grain wheat purchased by the cooperatives in the this quarter by the two FCUs (Bokra and Hashange) is 412.38 MT with the value of USD 164,544.94, out of which USD 97,293.78 is from the grain sale and the remaining USD 67,251.16 is from the seed sale. In addition to this, five seed cooperatives were facilitated to purchase 235.81 MT wheat seed from their members and non-members too, who are seed growers and linked to seed enterprise, worth USD 105,814.56.13. One of the CIGs, Birhu Tesfa that has 13 members, aggregated 7.125 MT of wheat which value birr 62,272.50 and got a return of birr 8,122.50 from the wheat they aggregated.
- Intensive technical support was given to the FCUs that have good wheat production potential to link with large volume buyers such as Ethiopian grain trade enterprise (EGTE) and encourage them to increase more volume of wheat to output market volumes. The market linkage opportunities started with three FCUs (Gozamen Ghion and Damot) linked with EGTE and Merkeb FCU that has wheat processing factory by contractual agreement signing for the sale of 2200 MT of wheat.

Trainings and capacity building:

- Farmers' field day was organized and supported by AGP AMDe with coordination of Sekomendo FCU. The wheat seed was multiplied by Seko Mendo FCU altogether on 89 hectares of land on the union's seed multiplication farm located in Ginir woreda. AGP-AMDe has supported grant for purchasing the basic seed which is multiplied on 43 hectares of land. In addition to this various trainings and other technical supports were given for the rest of the area covered by the union itself. In this farmers' field day, there were 63 (8 were women) representatives of smallholder farmers, commercial farmers, Sekomendo FCU board members and other farmers from the surrounding area. In addition to that there were also representatives from the woreda administration, agriculture and cooperative offices on the farmers' field. All participants requested to continue the effort as well as support durum wheat type, which is in high demand for macaroni and pasta processing by the processors.
- SMFM management training was given for a total of 72 cooperative management bodies selected from 14 PCs, FCU staff and concerned LDs in Oromia region.
- MSP meetings were held in Oromia for 31 (1 women) participants and in SNNPR for 25 (5 female) participants. These participants represented various organizations: cooperative development and Agricultural departments of Silte, Gurage, Hadya and Konta zones; regional Trade and Industry bureau, marketing and cooperative bureau AGPCU ; South farmers' cooperative federation, Konta, Lecha and Melik FCUs; representatives of Ethiopian grain trade enterprise, Worabe Agricultural Research centre, South seed enterprise, Hawassa University, commercial bank of Ethiopia, and privet traders and wheat producer investors.
- SMFM post-harvest handling (PHH) trainings were cascaded and given to 3194 (1083 female) cooperative members of Melik Silte's and Edget seed production and marketing FCUs of SNNP region.
- Trainings on marketing, financial and business management designed for cooperatives were given to 32 members of Ghion FCU affiliated cooperative leaders and employees.

- A workshop was organized in Debreworkos to improve the wheat aggregation from the SHFs and market linkage, which is undergoing between producers and processors as well as large volume wheat buyers in the region and other regions too. In this consultative workshop, 130 (74 cooperative board members and employees and 56 other) partners participated.

Implementing Improved Technology:

- Four seed multiplying PCs signed innovation grants with AGP-AMDe for the purchase of tractors to produce quality seed in large volumes
- AGP-AMDe handover 14 threshers to Bokra FCU and various different partners from region, zone and woreda participated. These portable threshers will play significant role in reducing postharvest losses, facilitate easy threshing for small holder farmers, minimize the labor cost, reduce the time spent for threshing and increase quality of the grain which is damaged during trampling by the cattle when threshed.



Analysis of wheat Value Chain

Opportunities

There are large volume of wheat grain buyers like EGTE and flour processors having big capacities of processing up to 100 MT of wheat per day. The past quarter was characterized by the fact that wheat demand is increasing in Ethiopia and many of the milling factories are facing shortage of raw wheat grain to process which resulted most factories to work far below their potential capacity. The country is endowed with very ideal climate for wheat production at large. However it is self-insufficient on wheat that directed the government to import to fill the gaps. The demand is increasing due to population growth, change in food habits etc. This is an opportunity for an agrarian country such as Ethiopia, where more than 83 % of the population is dependent on agriculture to invest on wheat production business.

The stakeholders of the wheat value chain FCUs, private traders, millers association, processors, concerned government ministries, agencies such as ministry of Agriculture, Industry, Cooperative Agency, Min. of trade etc. are discussing together to increase the understanding and the importance of being self-sufficient and thereby work with integrity to increase production.

Some unions have established their own milling factories and linked with other high potential wheat producing farmer cooperative unions for raw wheat supply to process wheat and thereby maximizing their member farmer unions and other smallholder farmers' income too through value addition..

AGP AMDe is supporting some seed producer cooperatives and unions with TA and innovative grants to produce seed and enter into seed businesses to be effective certified seed service providers which ultimately increase productivity and production.

Challenges

- Shortage of warehouses to collect high volume of wheat from their members output marketing
- Poor access to financial institutions for an easy loan due to lack of collateral etc
- Shortage of rust resistant improved wheat seed
- No structured market for wheat

Partners and Interventions during January to March, 2014

Partner	Location (woreda, region)	Interventions
Raya Wakana FCU	Dodola, Oromia	Market linkage, Trainings
Agarfa Kajewa FCU	Agarfa/Ali, Oromia	Market linkage, Trainings
Galema FCU	Limu Bilibilo, Oromia	Market linkage, Trainings
Sekomendo FCU	Bale Robe, Oromia	Seed Multiplication cum Popularization, Trainings
Ambo FCU	Ambo, Oromia	Market linkage, Trainings
Liben FCU	Woliso, Oromia	Market Linkage, Trainings
Lume Adama FCU	Modjo, Oromia	Market Linkage
Erer FCU	Ada, Oromia	14 threshers grant support, Trainings
Gozamin FCU	Debremark, Amhara	Trainings, Market linkage
Damot FCU	Debremark, Amhara	Trainings, Market linkage
Ghion FCU	Debremarkos, Amhara	Trainings, Market linkage
Admas FCU	Debremark, Amhara	Trainings, Market linkage
Kesem FCU	Mnjar, Amhara	Market linkage
Wedera FCU	Debremark, Amhara	Trainings, 14 threshers grant support,
Merkeb FCU	Bahirdar, Amhara	Market linkage and Trainings
Bokura FCU	Maichew, Tigray	Market Linkage, Trainings, Seed multiplication & popularization, 14 threshers grant support,
Ashange FCU	Ofla, Tigray	Market Linkage, Trainings, Seed multiplication & popularization,
Geru Hagos Integrated Farm	Almata, Tigray	Seed multiplication, Grant support
Melik FCU	Silte, SNNPR	Market Linkage, Trainings, 14 threshers grant support,
Edget seed producer FCU	Butajira, SNNPR	Trainings,
Licha Hadya FCU	Hosana, SNNPR	Market Linkage, trainings

Key Events Undertaken January 1, 2013 – March 31st, 2014

Date	Name of Event	Location (city, woreda, region/	Total # of participants (# of women)	Name(s) of AMDe Team Attending	Name of Partner Organizations
Jan. 23	Wheat V.C Multi stake holder platform meeting	Yirgalem (SNNPR)	25 (5 female) rep. of various organizations	Dr. Zewdu and Amhayesus,	Different stakeholders
Jan.14	Market linkage facilitated b/n Liben, Melka Awash and Ambo FCUs	Ambo (Oromia)	6	RM, Wheat and marketing team	ACDI/VOCA
Jan. 17	Market linkage facilitated b/n Agarfa Kajawa, Gedb-Asasa and Lume Adama FCUs	Mojo (Oromia)	8	RM, National and regional Wheat and Marketing team	FCUs, MoA, MOT, Cooper. Agencies, EGTE
Feb. 4-5	Training of market system and experience in Damot FCU	Burie (Amhara)	51 (3 woman)	Fantahun Ameshe Sahel Derbew	Cooperatives= 4 (3 women) Gov't= 13 (4 women) Farmers= 24 (1 women)
Feb. 5-10	SMFM Management training for Sikko Mendo FCU	Robe and Holeta (Oromia)	72(22)	Wheat and BDS team	FCUs, MoA, MOT, Cooper. Agencies, EGTE
Feb. 12	Market linkage b/n Haragu and Chefe Buluk FCUs with Ambo union	Ambo (Oromia)	9	RM, National and regional Wheat and Marketing team	FCUs, MoA, MOT, Cooper. Agencies, EGTE
Mar. 3-8	SMFM Training of Management in Ghion FCU	Debremareskos (Amhara)	32 (8 women)	Fantahun Ameshe Bishaw Yewew	Cooperatives= 32(8 women)
Mar. 15	Market linkage workshop in East Gojjam zone	Debremareskos (Amhara)	130 (9 woman)	Fantahun Ameshe	Cooperatives= 74 (7women) Gov't= 56 (2 women)
Mar. 19-31	Annual data survey collection	West, East Gojam and North Shoa (Amhara)	227 (26 woman)	Fantahun Ameshe Demek Mekuria Ephrem Tesfaye	Farmer = 212 Partner Non-financial =10 Partner financial = 5

Wheat Value Chain Activity Tracker January – March 2014

Activity #	Activity Description	Indicator and Unit	Q 3 - This Quarter			Cumulative Up to this Quarter		Reason for Variance
			Target	Achieved		Achieved		
				#	%	#	%	
IR 1: Improve the Competitiveness of Wheat VC								
Sub IR 1.1: Volume and value of marketed value chain surpluses increased as a result of improved end-market competitiveness								
OP 1.1.1: Capacity built for improving Marketing Systems and Practices								
	Cascading SMFM to farmers and operators	# of Trainees	14,000	6,199		13790	99	
	ToTs in SMFM farmers in PHH training	PC & lead farmers	143	88	62	185	77	Slower than anticipated, but great quality ToTs trained to date over-delivered on cascaded training.
	SMFM business training module delivered (negotiation, pricing, promotion, creating linkages, relationship management, etc.) to be cascaded to FCU and business operators	# of Trainees	8	8		240	100	

Activity #	Activity Description	Indicator and Unit	Q 3 - This Quarter			Cumulative Up to this Quarter		Reason for Variance
	OP 1.1.2: Specific and Effective Market Linkages Created							
	FCUs assisted to make contractual agreements with processors, traders and consumer associations	# FCUs linked	15	18	120	26	173	Over-performed during harvest time
	Facilitate market linkages for CIGs, women and youth groups with FCUs or processors	# of CIGs		4		12	80	Linkage is via MoA & has been slower than anticipated
Sub IR 1.2: Increased volume and value of commodities purchased from smallholders								
OP 1.2.3: Collaboration Between Stakeholders Facilitated and Established								
	Multi-stakeholder meeting facilitated twice a year in each region to update stakeholders on project progress and facilitate B2B connections, including banks	# MSPs	2	2	100	3	38	The plan was to conduct the remaining 4 in Q-4
Sub IR 1.3: Higher smallholder incomes from selected commodities per unit of land								
OP 1.3.1: Volume of Marketed Wheat Increased								

Activity #	Activity Description	Indicator and Unit	Q 3 - This Quarter			Cumulative Up to this Quarter		Reason for Variance
	Volume of wheat out marketed, purchased from SHF through cooperatives	# MT	10,000	6,111	61	8039.8	54	There is a shortage in key wheat producing areas that affected delivery of targets
Sub IR 1.4: Yields of targeted crops increased								
OP 1.4.1: Reliable Access to Improved Seed Expanded								
	Regional research centers capacitated through provision of irrigation systems, seed labs, etc., to ensure sufficient production of basic seed	# ARCs assisted				2	33	Procurement in process
	Support seed producer coops and private to introduce new varieties and promote direct retail of seed	# of seed producers		9		9	53	This is depending on the procurement above.

Inputs

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. Increased use of fertilizer and access to quality seed is central to meet the GoE Growth and Transformation Plan 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 objectives of AGP-AMDe in Year 3 work plan, a strategy was implemented that focused on Technical support in quality seed production and in market development to cooperatives and commercial seed enterprises. It will support the blended fertilizer project through identification of specific nutrient deficiencies that correspond to VC 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

- 4 FCUs (Melik, Becho, Enderta and Merkeb) were given technical support in the construction of blended fertilizer facilities. Technical support to the establishment of the first blended fertilizer plant at Becho Woliso FCU in collaboration with partners, MOA, ATA was given a high priority during this quarter.
- 2 Farmers' Cooperative Unions (Sikko-Mendo and Gibe-Dhidhessa FCUs) received technical support on wheat seed production and conducting farmers' field day and training on blended fertilizer importance and utilization respectively in Oromia region.
- Sensitization workshop training on Blended fertilizer factory establishment was organized in collaboration with ATA and 26 (2 female) participants from different stakeholder attended the workshop in Oromia region.
- Sesame improved basic seed (Humer-I variety) was sown in the plots of 15 (all male) small scale and large scale commercial farmers at 91.77 ha for seed production at three potential woredas of Amhara region and 588 qt of seed produced.
- Chickpea seed purchase is underway. Up to now 580 qt kabuli seed purchased and transported to the store in Amhara region.
- 20 maize BH 661 Variety demonstrations were conducted in AGP woredas of SNNPR.
- 1,555 qts of sesame and wheat improved seed, which was produced by seed cooperatives and commercial farms was sold to Ethiopian seed enterprise (ESE) in Tigray region.
- As a major achievement of the project, Fariat Gogolo seed producer cooperative was selected for AGP Joint Review Implementation Support (JRIS) mission visit at Ofla district of Tigray region.
- To reduce losses, improve quality and increase income, a non-shattering variety of sesame was identified and imported for testing at Agricultural Research centers.
- Agri-input training of trainers (TOT) was conducted to 23(2women) trainees from 3 AGP woredas and agriculture experts & development agents of SNNPR region.
- Seed training was given to Oromia Seed Enterprise Management staff with a total number of staff 16 out of which 2 were women with an objective of introducing the seed system in Ethiopia and future trends and also to introduce best practices of other countries. Seed training was given to Bale & Arsi Agricultural Development Enterprises Management and technical staffs on the basics of seed system (varietal development & release, seed

production, quality control & marketing).The enterprises own 21,560 hectares of which they have planned to produce 60% for seed multiplication from 2014 with Government's decision.

Key Activities and Successes

Improved Seed Multiplication and Popularization Program: In modern agriculture, seed is the driving force to deliver almost all agriculture-based technological innovations to farmers. The availability of and access to quality seed is, therefore, determinant to the efficiency and productivity of other packages (irrigation, fertilizers, pesticides) and other improved technologies in increasing crop production to enhance food security and alleviating rural poverty. The objective of this program is to increase the demand for superior varieties of maize, wheat, sesame and chickpea, technical support in quality seed production and market development to commercial seed companies, FCUs and seed cooperatives for sustainable seed supply to small scale farmers.

Amhara:

- Tsehay and Ghion unions are purchasing and transporting seed. Both unions collected 580 qt of kabuli type chickpea improved which was multiplied in farmers' plots in collaboration with the FCUs. The seed collected will be cleaned, packed in a small bag (25 kg) and labelled after quality test to distribute to farmers in the coming planting season. Purchase of grain chickpea is underway by the three FCUs including Wodera. To date, more than 8,500 qt kabuli and 650 qt Desi grain is collected for export marketing. Delays in completing the purchase is due to farmers expectation for better price.
- Sesame improved variety (Humera-1) basic seed multiplication was undertaken in three potential woredas using 15 (all male) farmers and commercial producers plot at 91.77 ha and produced 588 qt seed. However; the zone quarantine team certified only seven farmers plot 457 qt (78%) of the seed. From the total certified seed 380 qt (83%) has been purchased and transported by Tsehay union for cleaning, packing (5 kg bag) and leveling after seed quality test with government inspectors to meet the seed quality standards for marketing. The balance (77 qt) of the certified seed is in stock for next year planting by producers.
- A one day MSP meeting was held in Gondar. 32 (2 female) participants from 16 public and private organizations attended the meeting. Participants thoroughly discussed and unanimously agreed to work in collaboration with other initiatives and build partnership to contribute to the project outputs.
- Participated in ISSD national workshop on January 21, 2014 organized in Bahir Dar, shared AGP-made achievements and experience in improved input (fertilizer and improved seed) trials/demonstration and scaling up. Opportunities to work in collaboration with ISSD and other initiatives working in improved seed capacity development and scaling up identified and action plan prepared for implementation.

Oromia: The current maize seed demand and supply status in Oromia region has been analyzed and possible options for the current challenges have been forwarded. The major findings of the case study are as follow:

- The demand for certified maize seed (hybrid and OPV) in the region for the upcoming season is about 252,886 quintal but the amount of secured seed is about only 96, 439 quintal (62% shortage)

- The demand for certified hybrid maize seed is about 235,540 quintal but only secured 89,947 quintal (62% shortage)
- The demand for certified OPV maize seed is about 17,364 quintal but 10,854.2 quintal is available (63% shortage)
- The demand for basic hybrid seed is 1739.69 quintal but the allocated amount is about 929.69 quintal (47% shortage)
- The demand for basic OPV maize seed is 92.5 quintal but only 34.13 quintal of basic seed is secured so far for the season (63.1% deficit).
- The demand for basic seed of BH 661 is about 275.75 quintal but only 118.71 basic seed secured (43% deficit)
- The demand for certified of BH 661 is about 22,988 quintal but only 12% (2,837.8 qt) of the demand has been secured so far i.e. 88% (20,150.2 qt) shortage.
- The maize seed market share goes as follow
 - Oromia Seed Enterprise, FCU and local private 46 %
 - ESE 25 %
 - Multi-national Company such as Pioneer and Syngenta 29 %
- The wheat seed (Dende'a Variety) multiplication yield result was collected from Siko Mendo FCU. 1100 quintal of raw seed harvested from 43 hectare of land with the average productivity of 25.5 qt/ha was below what was estimated during pre-harvest assessment. In addition, 10 quintal of produced dende'a wheat variety seed was given to neighboring farmers in the farm site and the farmers gave 10 quintal equivalent grain to Siko Mendo FCU.
- Farmers' field day on wheat seed multiplication was organized in collaboration with Siko-Mendo FCU at Ginir woreda, Bale zone. 63 (8 female) participants representing board member and staff of the union, Ginir woreda agricultural office, neighboring farmers to the seed multiplication farm.

SNNPR: AGP-AMDe implemented plan to popularize newly realized maize variety called BH 661 in seven woredas for 56 beneficiaries, 6.25 kg of BH 661 maize variety, 25kg DAP & 50 kg urea fertilizer were supplied for each beneficiary. 20 farmers already planted the maize under close supervision DAs.

Tigray:

- 1554.74 qts of sesame and wheat improved seed, were produced by seed cooperatives and commercial farms and sold to Ethiopian seed enterprise in this quarter, technical support on seed marketing was also given to seed producers.
- Assessment on seed quality test was conducted by Tigray seed health laboratory to check germination capacity and physical purity on sesame seed, which was produced by seed cooperatives and commercial farms and certified to 120.3 qts.

Crop	Name	Sold to ESE (Qts)
Wheat	Seed Producer Cooperative	
	Firiat Gogolo	61.5
	Firiat Haya	845
	Kokob	476.61
	Wheat total	1383.11
Sesame	Primary cooperative	
	Maicadra	21.91
	Egrimitkal	11.79

	sub total	33.7
	Commercial Farm	
	Hiwot Mecanization	68
	Hailemariam Aregawi	9.84
	Guesh Hailemical	6.1
	Zeru Birhane	7.28
	Desta Berhe	29.64
	Mebrahtu W.tinsae	17.07
	sub total	137.93
	sesame total	171.63
	Grand Total	1554.74

Technology Transfer and Scaling up

Blended Fertilizer Initiative: It was initiated by the Ministry of Agriculture and ATA to address the soil fertility issues and the increased use of fertilizers. This will directly contribute to the objectives of the Agricultural Growth Program of the country. AGP AMDe contributed to this initiative through conducting micronutrient fertilizer demonstrations and soil testing in all four AGP regions to provide information on fertilizer options which addresses the specific need for the crops with respect to existing soil nutrient deficiencies. In this quarter, different activities were made through the input component of the project in undertaking technical evaluation of bidders, construction site supervision, training to board members, managers and stakeholders.

Amhara: Design preparation, bidding and selection of contractor were completed by Merekeb union in January. Civil structure construction was completed at the end of March and then the plant will be erected in next quarter.

Oromia:

- The blended fertilizer factory house construction started by Gibe Dhidhessa. The pits for the columns construction have been completed.
- Sensitization workshop training on Blended fertilizer factory establishment was held in collaboration with ATA and given to Gibe-Dedessa FCU Board and management members and Regional and Zonal Agricultural Bureau and Coop Promotion Agency delegates 26 (2 female) participants, including board member and staff of the FCU, Regional and Zonal Agricultural Bureau and Zonal Promotion Agency. The blended fertilizer demonstration results were presented to the participants by AGP-AMDe and ATA experts. The demonstration results showed that blended fertilizers have potential to enhance yield and productivity of the value chain crops.

Training & Capacity Building

Oromia: Preparatory work completed to conduct ToT training on Blending fertilizer utilization for 40 Subject Matter Specialist and then to be cascaded for 2400 lead farmers at maize growing AGP woredas of Oromia Regional State.

SNNPR: TOT was given to participants of zonal, woreda SMS and Development Agents for three woredas (Sidama zone 1, Gedeo zone 1, Wondo genet 8, Gedeb 9, & Basketto SPW 4). The main objective of the training was to cascade improved agronomic practices & improved agri-input application particularly improved seed & fertilizer (including blended fertilizer) on maize production.

Analysis of input supply

Challenges

- Low profit margins collected by the FCUs & PCs for the service provided on distribution.
- Ineffective agri-input marketing system /input distribution/, inadequate number of sale points in rural areas & low commissions reduce incentives to participate the cooperatives in the fertilizer business.
- Application of blanket fertilizer recommendation & lack of fertilizer containing the important essential plant nutrients.
- Lack of access to credit for farmers to purchase agri-input as a result inadequate use of yield-enhancing agricultural inputs
- Limited crop varieties & shortage of basic and certified seeds of crops.
- Long distance to purchase inputs particularly seed.
- Unrealistic demand estimation for agro-inputs supply & lack of proper market information and promotion system.
- Poor post-harvest technologies
- Lack of storage warehouse adjacent to the PCs
- Lack of skilled professionals to manage the FCUs under transformation

Opportunities

- The construction of blended fertilizer plants in four regions
- Soil mapping and analysis project will provide information to optimize production from the blended fertilizer plants.
- Good season in most districts
- Support and collaboration by stakeholders

Input Value Chain Activity Tracker January – March 2014

Activity #	Activity Description	Indicator and Unit	Q 3 - Jan. - March 2014		Cumulative Up to this Quarter		Reason for Variance
			Achieved		Achieved		
			Number	%	Number	%	
IR I Improve the Competitiveness of Selected VCs - Input							
Sub IR 1.4 Yields of targeted crops increased							
Op 1.4.1 Reliable Access to Improved Seed Expanded							
	Study tour to seed unit and seed quality and research laboratory at University of Agricultural Sciences - Dharwad, India	# participants					The tour rescheduled to fourth quarter
	Technical training provided for seed laboratory technical staff in seed quality control	# seed lab staff trained					Planned for the 4 quarter of Year 3
	Yield potential of commercial hybrid maize demonstrated in partnership with Pioneer using blended fertilizer top-dressing and fertilizer deep placement (AMSAP)	# seed multiplying entities			38	103%	
	Yield potential of commercial BH 661 hybrid maize demonstrated		40 demos		40 demos		600 qtl produced
	Seed Multiplication Program	Wheat (qtl)			5852		
		Sesame (qtl)			784.45		457 qtl certified from total seed
		Chickpea (qtl)			9177.8		

Activity #	Activity Description	Indicator and Unit	Q 3 - Jan. - March 2014		Cumulative Up to this Quarter		Reason for Variance
			Achieved		Achieved		
			Number	%	Number	%	
Op 1.4.2 Effective Input Supply Created							
	Assessment of cooperative agri inputs supply systems (excluding four FCUs-blending units already assessed)	# of FCUs assessed	13	108%	13	108%	
	Initiation of input business linkages between FCU-blending units with PCSs, direct seed company marketing outlets and pilot marketing programs under ISSD II	# of FCUs supported	2	25%	2	25%	only 2 of them will be done on Q 4 and the rest moved to Year 4
	Study tour for selected FCA, MoA, RBoAs and FCU staff to India to see cooperative input marketing systems for agricultural inputs	# participants					This will be done in Q 4
	International training workshop on fertilizer value chain - supply system management and servicing farmers' needs	# trainees	2	33%	2	33%	2 Participants selected and training will be given in April
	Develop an agricultural market information system to increase market transparency and information on inputs and agricultural commodities	MIS system developed	1	50%	1	50%	Will be finalized in Q 4

Activity #	Activity Description	Indicator and Unit	Q 3 - Jan. - March 2014		Cumulative Up to this Quarter		Reason for Variance
			Achieved		Achieved		
			Number	%	Number	%	
Op 1.4.3 Increased Technical Response to Blended Mineral Fertilizer for VC Crops Increased							
	Development of a comprehensive logistics and market development manual for FCUs with fertilizer blending units	# of manuals					This will be done in Q 4
	FCU staff, DAs, and lead farmers trained on soil sampling techniques, soil analysis data interpretation and recommendation	# trainees					This will be done in Q 4....25 per region (100)
	Soil sampling on selected demo sites to stimulate demand for blended fertilizers completed	# demo sites	30	30%	130	130%	More soil samples taken from experience of previous years
	Conduct omission demos to inform fertilizer blends for VC crops and agro ecologies	# demo sites			76	76%	
	Conduct USG demonstration at selected woredas	# demo sites			29	40%	
	Blended fertilizer management recommendations for targeted VC crops demonstrated by FCUs to stimulate demand for blended fertilizers	# recommendations proposed					

Activity #	Activity Description	Indicator and Unit	Q 3 - Jan. - March 2014		Cumulative Up to this Quarter		Reason for Variance
			Achieved		Achieved		
			Number	%	Number	%	
	Training on methods and use of blended fertilizers delivered to SMS, DAs, and FCUs	# of trainees	20	18%	20	18%	Will link to agri-input TOT & cascading training in Q 4 (40/region)
	Communications through mass media & SMS texts on methods and time of application of basal and top-dressing fertilizers	# promotion materials prepared	5	100%	5	100%	
	Conduct farmer field days on demonstration plots	# of farmers			5252	130%	Over-delivery a result of demos from last year which attracted more farmers and stakeholders
	International training and study tour in technology advances in agricultural production and fertilization	# participants			1	33%	Representatives from MOA could not participate the study tour
	National and Regional workshops held to communicate demonstration results	# workshops	1	20%	1	20%	Gibe-Dhidhessa FCU board members & staffs; Regional and Zonal agri office and Coop Agency; 1 in Q 4

Activity #	Activity Description	Indicator and Unit	Q 3 - Jan. - March 2014		Cumulative Up to this Quarter		Reason for Variance
			Achieved		Achieved		
			Number	%	Number	%	
IR 4 Stimulate Increased Innovation and Investment							
Sub IR 4.2 Adoption of new and/or innovative services, technologies and practices by value chain actors, including women will be increased							
Op 4.2.1 Fertilizer Blending Implemented							
	International study tour to observe fertilizer blending technologies completed	# participants			11	110%	
	Develop a business and marketing plan for each of the four planned FCU fertilizer blending enterprises	# plans					Activity is done but the plans will be developed in Q 4
	Training of FCU staff on fertilizer blending and market development	# staff trained			20	100%	

COMPONENT 2: IMPROVING ACCESS TO FINANCE AND INVESTMENT

Access to Finance

Overview

The financial sector continues to suffer from the long standing Treasury bond purchase requirement by private banks coupled by recent NBE written communication to private banks that requires all private banks to their short term lending portfolio at 40% of the total outstanding loans. The effect of this short term lending requirement speeded up the amount of Treasury bond the private banks have to buy is wiping out any surplus liquidity they might have and increasing the cost of borrowing as banks now have a much larger number of borrowers than they had in the past. In addition to these directives and internal memos, the government's decision to award the entire housing project financing arrangement to Commercial Bank of Ethiopia, resulted in millions of US dollars of deposits fleeing from private banks to CBE and stagnation of saving level at these private banks.

The result of all these directives and memos has been multifaceted. 1) Banks are more selective in what sector they finance and who within a sector has a priority in accessing the critically needed financing. 2) It is also affecting the financial performance of private banks. Though we have not seen a decline in earning, the growth rate has been much lower than what is used to be in the past. 3) Some banks especially the smaller ones are struggling to meet the directive that required them to increase their paid capital to USD 25 million.

AGP-AMDe Access to Finance objective continues to be addressing 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 facilities
- Improve financial management capacity of agricultural actors
- Promote the expansion of leasing services leveraging the USAID DCA program
- Implement Community Warehouse Receipt System pilot in Amhara region

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

- Assist 44 FCUs in obtaining USD30 million short and long term loans from financial institutions. So far 43 FCUs and PCs were assisted in negotiating loans with financial institutions for working capital and project financing amounting to USD 108.5 million of which USD 52.9 million has been approved and USD 34.2 million disbursed
- 97 MSMEs members of FCUs, SACCOs and other stakeholders received business development services in improving their capacity accessing financial services
- Two alternative financial products were promoted among 6 FCUs

Summary of Top Results

- Community Warehouse Receipt System pilot was launched in Bure and Deber Markos in collaboration with ATA and ACSI
- Total loan value of USD 27,662,590 disbursed to 41 FCUs and PCs and one private company to facilitate the production and marketing of targeted value chains to date

AGP-AMDe Loan Facilitation Support by Value Chain (Million USD)

VC by Region	Applied	Approved	Disbursed	Approval rate	Disbursement rate
Addis Ababa	1.64	1.64	1.64	100%	100%
Coffee	1.64	1.64	1.64	100%	100%
Amhara	10.19	8.15	7.4	80%	91%
Chickpea	1.54	1.54	1.54	100%	100%
Honey	0.96	0.1	0.1		
Maize/Wheat	1.03	1.03	1.03	100%	100%
Maize/Wheat/Sesame	3.08	1.9	1.14	62%	60%
Sesame	3.59	3.59	3.59	100%	100%
Oromia	14.17	5.98	4.53	42%	76%
Chickpea	5.81	2.31	2.31	40%	100%
Coffee	3.15	1.36	0.42	43%	31%
Maize	2.32	1.47	1.11	63%	76%
Maize/Wheat	0.43	0.43	0.28	100%	65%
Multiple	1.48	0.31	0.31	21%	100%
Wheat	0.98	0.1	0.1	10%	100%
SNNPR	5.91	2.82	2.58	48%	91%
Coffee	2.05	0.59	0.59	29%	100%
Maize	3.34	1.72	1.47	51%	86%
Wheat	0.51	0.51	0.51	100%	100%
Tigray	39.85	20.54	11.51	52%	56%
Sesame	37.62	19.41	10.95	52%	56%
Wheat	2.23	1.13	0.56	51%	50%
Grand Total	71.76	39.14	27.66	55%	71%

Key Activities and Successes

Support to Working Capital Loan Applicants: In an effort to address one of the challenges identified the project is actively working in supporting FCUs and MSMEs 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

Following the the continuous support to partners, USD71.1 million working capital loan application was submitted to government and private banks. To ensure the maximum approval rate, disbursement and utilization of funds the intervention focused its effort supporting the completion of documents requested by banks, holding regular discussion with bank managers to follow up on progress and utilization of funds disbursed to applicants.

- 38 loan applicants that includes Farmers' cooperative, Private Investors, Commercial Farmers were supported
- 11 bank visits and discussion were held to follow up on loan application progress and discuss issues that were identified by banks as potential problems in securing approval

While continuing supporting the FCUs through dialogue with financial institutions and other relevant stakeholders to ensure the full disbursement of the loan approved, number of challenges are encountered by FCUs that included misunderstanding of export marketing policies, delinquent loan related to prior transactions, lack export market and price volatility. This required active support in negotiating with Financial Institutions as well as regional government institutions who are working closely with FCUs. Some of the examples are shown below:

- Some applicants were not able to produce the latest audited financial statement. **Successfully resolved.**
- Some applicants have had loss making transactions in the past few years. **Extensive discussion with banks in explaining the reasons and helped in resolving bank's doubt on the ability of borrower's to pay back the loan.**
- Four applicants had defaults with two banks. **Successful restructuring by AGP-AMDe helped the borrowers to clear their outstanding loan and receive over USD 0.6 million loan for coffee export marketing. Another got approval from general assembly to pay back an outstanding loan dating back to 20 years that paved the way for the borrower to receive the working capital loan it applied for.**
- One of the major activity that the project has been working on was following up on the utilization of the disbursed amount. Due to the recent market price decline for Sesame and Coffee few FCUs have had difficulty in fully utilizing the fund that were disbursed to them as shown in the table below. **Access to Finance team successfully created an awareness to the FCUs in which some returned the money to the lending banks avoiding the interest rate they would have to incur.**

Implementation of Community Warehouse Receipt System: The excessive supply of production immediately after harvest period and the subsequent shortages few months afterwards subjects grain price to seasonal fluctuation. This seasonal price behavior has long been in place as a regularly repeated price pattern in Ethiopia. Most grain products are normally harvested in November/December. Various studies witnesses that, in January/February, grain supply reaches its peak and prices drop to their lowest level. In March/April, the supplies start declining and the prices start to increase. The price levels reach a peak in June/July. At the time when the next harvest approaches, the prices again start to decline in anticipation of the new harvest. Market oriented participants have long been taking advantage of this price trend by storing the commodities and by thinly supplying the market until the next season. However, farmers are usually unable to store their produce and sell later when prices are relatively better. This is mainly due to their urgent cash demand to meet several obligations including debt repayment shortly after harvest coupled with absence of reliable storage facility. As a result, in most cases, farmers are price takers during the post-harvest period, while wholesalers are usually price givers.



Wheat aggregation at Guye Primary Cooperative

In light of this situation, AGP-AMDe with the Ethiopian Agricultural Transformation Agency (ATA) has been implementing a pilot Community Receipt System (CRS) project in Wemberema and Debre-Elias woredas of Amhara. The CRS, in the context of the pilot, is an arrangement where farmers handover their produces to the Unions' warehouse via primary cooperatives. In return farmers will receive a good received note (GRN), which they can pledge with ACSI to access credit. Cooperative Unions, once they received the grain from primary cooperatives, will become responsible for the control of the commodities to be used as collateral. The system is deemed to improve farmers' situation by availing them secured access to credit and reliable storage facilities for their grain, it gives them the option to sell when they can get the best price.



To date, 22.9 MT of wheat have been aggregated, GRN issued, farmers enrolled and rejected (for quality reason) is summarized below.

PCs (Aggregation Centers)	Farmers Enrolled	MT Aggregated	GRN issued	Farmers rejected for quality reason
Guye	1	0.5	1	0
Genet	6	2.1	6	3
Shendi	4	5.3	5	3
Burafer	6	15.0	6	0
Total	17	22.9	18	6

The main challenges faced in the implementation of the CRS were:

Timing: As the launching of the system is a little delayed for several reasons, it is only well-to-do farmers who managed to delay the sales of their grain has brought it in to the system. By the time the system was operational, the majority of the farmers have already sold their grain to meet their urgent financial need.

Quality Awareness: Farmers awareness with regard to quality is not up to the desired level. A total of 6 farmers, out of the 23 farmers brought their grain in to the system, were rejected for quality reason- mainly because of the presence of lively insect in their grain. Beside, we have observed very poor storage facilities, where some farmers are storing their grain in their living room.

Unions Reluctance: Owing to our close follow-up, both the FCUs and PCs are executing whatever is expected from their side. However, we anticipate challenges as to getting them engaged full-heartedly by accepting the scheme as a commercially viable business.

Despite the different challenges in this quarter the project has managed to:

- Create awareness among 817 model farmers in two Woredas
- Get a firm commitment from stakeholders that included Gozamin and Damot FCUs, Primary Cooperatives, Regional Zonal Cooperative Agencies, most importantly Amhara Credit and Saving Association that will be providing the loan.
- Developed documents that are acceptable by all parties to run the system effectively. This includes GRN, two types' contracts, and grain quality certificate.
- Developed and distributed a warehouse receipt system manual that will be used by Unions, MFIs, Primary Cooperatives, Supporting government institutions.
- Formally handed over the implementation to regional Cooperative Promotion Agency with support from AGP-AMDe to carry on the implementation and scaling up of the system.

Supporting DCA Program to Expand Agricultural Mechanization: Following agreement with USAID Private Sector Development to provide technical assistance for two DCA components, AGP-

AMDe has been providing assistance to potential beneficiaries who have shown keen interest in investing in mechanization and investors who wanted to get into agricultural equipment rental/leasing business. AMDe support includes:

- Preliminary discussion on the proposed business venture and structure of the DCA program.
- Review of the business plan
 - Overall Package to ensure the proposed business to ensure the beneficiary have thought about the market, competition, the management and the financial implication
 - Cash flow model and assumptions
- Completion of loan application documents. With the aim of minimizing the amount of time taken by the bank in processing the application, we will support in compiling the relevant documents
- Ensure the beneficiary has the necessary investment contribution that banks require

Though requests are received from 8 prospective beneficiaries, only one application is submitted to Cooperative Bank of Oromia and Dashen Bank.

Key Events Undertaken January – March 2014

Date	Name of Event	Location (city, woreda, region/country)	Value Chain/Cross Cutting Area	Total # of participants (# of women)	Name(s) of AMDe Team Attending	Name of Partner Organizations
02 – 11 February	<ul style="list-style-type: none"> • Sstakeholders' consultation workshop on contracts • Handing over GRN, quality certificate, Manual and other published materials • Getting ACSI on board 	Bahirdar, Bure, Shendi, Burafer, Debremarkos, D/Elias and Genet	Access to Finance	16	Tibebu Ashagre and Biniam Taddese	ATA, Primary Cooperatives, ACSI, RCPA, FCUs
25 February-08 March	<ul style="list-style-type: none"> • On job training to implementers • Discussion with model farmers and PCs leaders to let them take the leading role • Deliver quality grading equipment to PCs • Finalize employment of CRS staff to FCUs • Updating ACSI on progress 	D/Markos, Guye, Genet, Bure, Shendi, Burafer and B/Dar	Access to Finance	60	Tibebu Ashagre and Biniam Taddese	ATA, FCUs, PCs

Investment

Overview

AGP AMDe continues its Private Equity work on creating an environment to facilitate foreign private equity investments into companies along priority value chains in Ethiopia. This includes identifying companies that are appropriate for private equity financing; in some cases helping them prepare for and attract equity investors; conducting due diligence on companies that qualify; introducing the companies to investors; negotiating investment terms on behalf of investors; preparing legal (closing) documents for and executing an investment; monitoring and evaluating an investment on behalf of investors and helping companies grow. Another key element is encouraging and helping organize stakeholders to enable a more active private equity market in Ethiopia. To this end, trainings will be conducted on private equity to government and private sector stakeholders.

Life of Project (LOP) strategy: Demand for the work offered under the private equity project continues to grow, driven by an increased awareness of “impact investing” from foreign investors, and an increased awareness from local companies about the benefits of private equity financing. Although the project is still in its pilot phase and constrained by size and scope, when expanded, the PE team would expand the investment facilitation work to a larger number of SMEs (driven by the quality and depth of the investment pipeline), develop a local angel network, provide greater post-investment consulting to portfolio companies to attract larger post-angel-round financing, and provide more support to BDS and government organizations to improve the equity environment.

Summary of Key Results

Investment identification: Since January 2014, additional 20 companies along the AGP-AMDe value chains, several of which have investment potential are identified and the team developed short investment profiles for a handful of these and “floated” them to impact angel network. There are two this quarter that are receiving pre-investment support (below).

Pre-investment support: Documents were gathered on pre-qualified opportunities, which include soft copies of documents for analysis (feasibility study, financial models, audited financial statements, management CVs, corporate documents); ran angel investor trips and hosted funds to meet value chain companies, which help focus on the highest potential opportunities; developed structures and investment terms appropriate for Ethiopian law for foreign private equity investments; conducted full due diligence, and developed Confidential Information Memorandums (CIM) for investors (one completed, one under development). Metad (for a second-round) and Golla are the two companies that are receiving pre-investment support. A sesame company may also receive support if investors confirm interest in the deal.

Investors Contacted and Trips Hosted: Since January 2014, run two Econ-Tourism Trips with members from Impact Angel Network in Ethiopia, and hosted 2 impact funds. As a result of these trips, helping prepare Metad Agriculture Development PLC for a second-round investment.

Key Activities and Successes

- Continued developing investment pipeline
- Continued reaching out to current investors and growing our angel network through meetings around the United States. Held meetings with our investor groups in Washington, D.C., Georgia, North Carolina, Texas, Delaware, Minnesota and South Carolina.
- Hosted investors and coordinated investment trips
- Began preparing Metad for a second round of investment; and several other opportunities for first round of investment. Since January 2014, helped Metad begin organizing their second round of financing.
- Identified two additional companies along AMDe value chains that we are moving through the investment process.
- Identified more than 50 businesses in the AMDe value chains and continue to vet new opportunities and have developed data rooms for three companies.
- Provided a training on private equity to banks, companies and government office in February.

Analysis on Investment

Need to expand the program, driven by the high costs of pre-investment consulting services and transaction costs associated with closing investments in Ethiopia. Expansion would be used to:

- Significantly expand the angel investment network and the corresponding investment activities. Evidence is showing that the angel investments are helping get the companies through the missing middle and up to the size of larger private equity investment rounds.
- Scale up work to sensitize the market on private equity: Train local lawyers, banks, BDS providers and government offices on private equity
- Begin organizing local equity sources including a local angel network, and collaborate with local banks as equity co-investors
- Being constructing a secondary market to increase liquidity – begin with organize brokers to help buy and sell shares in domestic share companies (teach them margins, valuations, broker/dealer client relations and reporting requirements, etc.)
- Expand to additional value chains

Key Events Undertaken January 1 – March 31, 2014

Date	Name of Event	Location (city, woreda, region/country)	Value Chain/Cross Cutting Area	Total # of participants (# of Female)	Name (s) of AMDe Team Attending	Name of Partner Organizations
January 31	Econ-Tourism Trip	Oromia Region, Addis	Investment	10	RENEW Team	N/A
March 12	Metad Fund Meeting	Addis Ababa	Investment	4	RENEW Team	N/A
March 12	PE Training	Radisson Blu, Addis Ababa	Investment	15	RENEW Team, Tadele	N/A
	Impact Angel Trips	U.S. – Dallas, Forth Worth, Atlanta, Charlotte, Wilmington, Washington, DC	Investment	50	RENEW Team	N/A
March 25	Econ-Tourism Trip	Addis Ababa	Investment	2	RENEW Team	N/A

COMPONENT 3: IMPROVING AGRI-BUSINESS ENABLING ENVIRONMENT

Overview

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

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

Summary of Top Results

The critical first step in policy change in Ethiopia is changing the mind set of major stakeholders in the policy making matrix. Through informal individual consultations and analytical works AGP-AMDe has focused on the following policy issues in this quarter: Provided input to the draft Seed Regulations; Completed a comprehensive fertilizer procurement and distribution strategy to improve the efficiency of the fertilizer supply chains; Continued analytical work on price policy for cereals including wheat subsidies and cereal export ban; support increased efficiency and autonomy of the ECX warehouse system from the ECX trading platform, and ; support increased private sector participation in fertilizer distribution. Key results for this quarter are:

- Provided input to the draft Seed Regulations by proposing specific amendments to the current draft Regulations that are key for improving the enabling environment for the private seed industry in Ethiopia
- Completed a comprehensive fertilizer procurement and distribution strategy to improve the efficiency of the fertilizer supply chains with a short term and long term recommendations
- Presented conclusions and recommendations of the Improved Transport and Logistics for Ethiopia's Fertilizer Imports key Government stakeholders including Director Generals of Agricultural Inputs Supply Enterprise and Ethiopian Maritime Affairs Authority, ATA CEO, and Deputy CEO of Ethiopian Shipping Lines and Logistics Enterprise
- Completed paper documenting growth rates in the cereals sector in Ethiopia and their causes; and, continuation of a paper documenting the demand impact of cereals supply growth – both for the price policy conference planned for June 2014. The paper provided the definitive statement of the current (for the past 16 years) cereals growth rate (seven percent rate). It documents the fastest continuous growth rate for any country ever and turns the discussion away from the validity of the data and toward the critical policy issues of how that growth rate was obtained and what policy changes are needed to maintain that growth rate at least until rural poverty is largely eliminated
- Presented a seminar to members of the Ethiopian Agricultural Economics Society as a first effort at feedback on the level, causes and implications of the cereal growth rate in Ethiopia
- Developed a collaboration with the two major institutions having impact on Ethiopia's agricultural price policy (Ethiopian Development Research Institute (EDRI) and the International Food Policy Research institute (IFPRI) for an agricultural price policy conference to be held in June 2014. The purpose is to define the principles and suggest the applications for a definitive Ethiopian agricultural price policy.

- Pursued agreement from the various government agencies involved for private traders to be able to purchase mixed fertilizer from the Cooperative mixing plant and Urea from the importing agency for distribution directly to farmers to bring efficiency increasing competition to the Cooperative sector and increased access to fertilizer by the small commercial farmer

Key Activities and successes

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

Continue Implementing USAID- ECX MOU

In this quarter AGP-AMDe continued to work on implementing USAID-ECX MOU. The MOU identified areas of collaborations between ECX and AGP-AMDe with an overall objective of improving the ECX System to better benefit smallholder farmers in Ethiopia. The MOU covered sustainable, 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 in particular and a number of policy changes for the Ethiopian coffee industry in general. In this quarter, AMDe continued supporting ECX in the setting of digital traceability system. ECX and AGP-AMDe completed evaluation of the bids for the digital traceability system and selected the winning bid. Negotiations with the selected service provider was ongoing in this quarter.

Provided input to the draft Seed Regulations by proposing specific amendments to the current draft Regulations that are key for improving the enabling environment for the private seed industry in Ethiopia

The Ministry of Agriculture organized last round consultations on the final draft Seed Regulations with key stakeholders before it is deliberated on and passed by the council of Ministers. AGP-AMDe team actively participated in this consultation forum and provided input to the draft Seed Regulations by proposing specific amendment to the current draft Seed Regulations. AGP-AMDe's specific proposal for amending the current draft Regulations was supported by an international comparative analysis of the new seed law with international best practices for private sector engagement in the seed sector that the project undertook in the last quarter. AGP-AMDe proposal had specific objectives of making the draft Regulations compatible with the COMESA Seed Harmonization Agreement, allowing private companies to use their own seed distribution channel(as opposed to the current marketing through cooperatives channel only), and setting criteria for certificates of competence that are not a barrier for new seed companies to start. Below are text of AGP-AMDe's proposed amendments to the current draft Seed Regulations;

Article 10. Registration of a variety from a Regional Variety Catalogue

The Ministry shall automatically register a variety if it is listed in a regional variety catalogue prepared as part of a regional seed harmonization agreement that Ethiopia is signatory.

Article 17. Seed Distribution

- 1) A seed producer/processor/distributor/importer may use its own channel to distribute seed
- 2) Notwithstanding Sub-Article 1 of this Article, when there is shortage of a seed that is multiplied using foundation seed from a public research institution, the seed shall be distributed according to a seed distribution mechanism to be set by the Ministry
- 3) The Ministry shall issue a directive to implement Sub-Article 2 of this Article

Article 44. Criteria for a certificate for competence

- 1) Seed Producer - An applicant for seed production certificate competence must demonstrate that it has got qualified personnel with experience and/or education in seed production

- 2) Seed Processor - An applicant for seed processor certificate of competence must have:
 - (a) Access to appropriate facilities for seed storage;
 - (b) The requisite machinery and manpower capacity to perform its activities; and
 - (c) Qualified personnel with experience and/or education in seed processing.
- 3) Importer or Exporter or Distributor or Retailer - An application for seed importer or exporter or distributor or retailer certificate of competence shall must have:
 - (a) Access to appropriate facilities for seed storage; and
 - (b) Qualified personnel with basic knowledge of handling seeds.
- 4) A detail criteria for certificate of competence shall be set out in a Ministerial Directive

The Ministry of Agriculture is going to integrate the comments from key stakeholders including AGP-AMDe into the current draft Seed Regulations and will submit a revised final Seed Regulations to the Prime Minister's Office shortly. The revised Final Draft Seed Regulations will be deliberated upon and passed by the council of Ministers in due course.

Creating a Competitive Fertilizer Distribution System

AGP-AMDe team has been working on bringing the 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. The grain traders had been barred from obtaining licenses to distribute fertilizer.

In this quarter, AGP-AMDe team debriefed USAID on its ongoing efforts to pilot fertilizer distribution by private grain traders in selected woredas in Oromia region. During the debrief meeting, USAID emphasized the need for a coordinated effort between AGP-AMDe, and USAID Commercial Farm Service Program(CFSP) to leverage the latter's farm input centers opened in selected parts of Oromia region for purpose of distribution fertilizer through these shops. AGP-AMDe is coordinating with CFSP Project to move this policy agenda forward.

Price Policy for Cereals including Wheat Subsidies and Cereal Export Bans

The first step in having impact in this politically fraught area was to prepare a major paper that contributed new ideas to the discussion of price policy. The entry points for this work were the overt current policies - export bans for cereals and imports and subsidies on wheat. These and the larger issues within which they nest were in the context of the governments agricultural production targets. Hence, they must be viewed in the context of the progress being made on those efforts. Also, specific policies must be seen in the larger context. Finally, the contribution of those outside the government must be through stimulating analysis and thought and providing fact based analysis and new insights.

In this quarter, AGP-AMDe completed a paper documenting growth rates in the cereals sector and their causes; and, continuation of a paper documenting the demand impact of cereals supply growth – both for the price policy conference planned for June 2014. A collaborative Agricultural price policy conference for June of 2014 is backed by the Ministry of Agriculture , as has ATA, implicitly, and the team succeeded in obtaining agreement and full cooperation from EDRI and IFPRI for mounting such a conference and agreement on the papers to be presented and by which institution, and cost sharing. The conference is set for June 17, 2014 with seven papers, three by AGP-AMDe, two by IFPRI, one by ATA, and one by EDRI, with some collaboration on these papers among each of the participating institutions. An abstract of AGP-AMDe paper on “Cereals Growth Rates 1995-2012, Ethiopia, How Fast, How

Achieved, How to Continue, and What Impact?’ is annexed to this quarterly report. A full set of price policy final report by AGP-AMDe will be submitted after the price policy conference in June 2014.

It was agreed that the following issues were paramount:

1. That the focus would be on cereals as the most politically important agricultural sub-sector.
2. Price policy must be based on the record of the relative rates of growth in supply and demand of the various cereals, requiring in depth analyses in view of the controversy from the donor community on those growth rates and the complexity of measuring them in the context of variable weather.
3. That given the supply growth rate an in depth analysis was needed of the impact of rising farm incomes on incomes of the rural non-farm population and their expenditure on cereals. The technical issue is the extent to which Say’s law is important in determining the relative prices of cereals.
4. Special attention must be given to the export bans on cereals and the subsidies, largely of wheat, and their impact on prices and related policy.
5. That the massive investment in roads and other physical infrastructure in rural areas has a major impact on marketing margins and hence on price spreads requiring an in depth analysis
6. Special attention must be given to foreign exchange and trade relationships.
7. That price policy has profound implications to gender issues and nutrition and requires an in depth paper and consequent policy that is fully integrated with the other papers.

Improved transport and logistics for Ethiopia’s fertilizer imports

AGP-AMDe completed its work on developing an improved transport and logistics for Ethiopia’s fertilizer imports. AGP-AMDe work on Improved Transport and Logistics for Ethiopia’s Fertilizer Imports was presented and validated in the presence of key government stakeholders including Director Generals of Agricultural Inputs Supply Enterprise and Ethiopian Maritime Affairs Authority, CEO of Agriculture Transformation Agency, Director of Input Marketing Directorate of the Ministry of Agriculture, and Deputy CEO of Ethiopian Shipping Lines and Logistics Enterprise. AGP-AMDe final report on Improved Transport and Logistics for Ethiopia’s Fertilizer Imports is annexed to this quarterly report.

The conclusions of AGP-AMDe analysis is that Ethiopia seems likely to become self-sufficient in all three major plant nutrients by 2015 and thereafter export potassium though not nitrogen or phosphates. However, it will continue to import sulphur and minor plant nutrients over the period to 2020.

In the medium-to-long run, exports of potassium will take place uniquely through Djibouti’s Tadjourah port. Djibouti’s Doraleh Multipurpose Port offers the best prospects for low-cost, low-delay fertilizer imports. Other ports/corridors will be less competitive for the following reasons:

- In the short run, imports through Port Sudan along the corridor to northern Ethiopia will probably offer competitive rates, partly because of the uncongested port and partly because of the economies of scale that the larger Sudanese trucks offer. These larger trucks’ axle weights exceed legal limits in Ethiopia so trans-shipment at the border will reduce this advantage, but not to a level that makes this route uncompetitive. However, after 2015, the combination of the new Doraleh port and the new railway from Djibouti to Addis Ababa seems likely to outcompete the route through Port Sudan for all Ethiopian destinations, with the possible exception of the sesame zone in northeast Ethiopia.

- Berbera will not be competitive, and poor roads from Hargeisa to Harar will increase trucking costs to central Ethiopia. Moreover, Berbera will be susceptible to predatory pricing by Djibouti, which can lower costs to maintain its market share. The Ethio-Djiboutian train will eliminate any residual competitiveness that Berbera may have.
- Throughout the period considered the Kenyan ports will not be competitive.
- Only the Eritrean ports, currently unexploitable, offer serious competition to Djibouti, though that will wane from 2015 onwards with the completion of new Doraleh terminal facilities and the railways that will connect Djibouti and Tadjourah to Ethiopia.

By 2016, domestic production of feed stocks means that Ethiopia should be importing only sulphur and trace elements but only if blending-plant capacity can meet domestic demand. Blending plants should produce some fertilizer for the 2014 agricultural season but, even in 2015, they may not reach their capacity of 400 Kt because of a lack of storage. Ethiopia will export potash to the international market and DAP/NPS and urea to the regional market, probably South Sudan.

After 2015, sixty 130-tonne hopper rail-cars would allow Ethiopia to evacuate 7,800 t of bulk fertilizer daily from Djibouti or Tadjourah to central Ethiopia and make it directly available for blending at, say, Adama. However, it is doubtful if Ethiopia would need to import enough fertilizer to make investment in rail-cars profitable (unless other commodities could use the hopper cars at other times of the year). Therefore it seems that quayside bagging will be the lowest-cost solution. Lower-cost covered rail cars, rather than trucks, will carry most sacks to central Ethiopia, while flatbed cars can carry any pre bagged and containerized trace nutrients.

In the short run, there is a need to solve the first-quarter congestion at PAID in Djibouti caused not just by the seasonality of imports of fertilizer but also of wheat and other bulk commodities. All other problems in the import process are subsidiary to this key bottleneck.

Road transport should improve with the recent introduction of regulations to reduce trucking delays at various official checks, steps taken to eliminate time-wasting brokerage in Djibouti and requirements for minimum sizes of trucking firms operating on the Ethio-Djibouti corridors, as well as restrictions on the quality of trucks and professionalism of the company. However, delays currently slow down the rotation time between Djibouti and central Ethiopia due to:

- overnight Djibouti border closure
- congestion at the border that requires all trucks to queue, regardless of status
- non-availability of workers in Ethiopia to unload the truck outside office hours
- slow stuffing into containers of export commodities in Djibouti before a truck can proceed to load imported cargo.

Ethio-Djibouti border procedures, principally customs, remain slow and bureaucratic.

Warehousing is insufficient at the union-coop level, even for the coops that will be running blending plants. Indeed, the blending plants risk closing seasonally without more storage space.

ICT is lacking to track stocks and flows of fertilizer of different types and available warehouse space. Indeed, no inventory of private-sector warehouse space exists.

The corridor based on Djibouti port currently offers the lowest-cost solution for importing fertilizer, whether in bulk, bulk-break, or container. This corridor's cost advantage will rise in 2015 with the completion of the new terminal at Doraleh port and of Ethio-Djibouti railway.

The advent of rail freight in 2015 will change the road-transport industry, providing an incentive for many of the trucks now serving the Djibouti-Addis Ababa route to migrate to other routes. As rail

service extends to connect further Ethiopian destinations, additional trucking capacity will be displaced. However, as economic activity continues to grow, it seems unlikely that trucks will be pushed out of business. Rather, Ethiopia will need to import fewer trucks than otherwise. Further, Ethiopia's roads will benefit from the significantly lower use that reduced heavy truck use will bring.

Intermodal efficiency is under emphasized in the current supply chain. From port transfers (unloading the vessel to temporary storage, bagging and truck-loading) to successive truck- off-loadings, warehousing and truck-reloadings, the logistics are far from optimized. Delays and additional costs at different stages result from limited information systems, poor planning and coordination, and insufficient infrastructure and equipment. The supply chain lacks a web-based management tool to provide real-time statistics on the location of trucks and of stocks of urea and DAP, the availability of warehousing and trucking capacity, port performance (e.g. berthing times and bagging-plant performance) and border-crossing times.

Key of recommendations of the AGP-AMDe analysis were:

1. *Integrated fertilizer logistics*

- Integrate the fertilizer-supply network around logistics centres on the rail network, with truck-loading bays, bulk fertilizer storage (which can also be used for storage in sacks), blending plants, bagging facilities and storage. Plan additional blending plants (both publicly and privately owned) as part of network that optimizes location with respect to supply by road & rail and as part of a fertilizer-supply network.
- Where possible, supply agricultural zones from blending plants sited at nearby rail and major road connections. Extend the rail line currently planned to terminate at Bedele to Yayo (to serve the DAP/NPS and urea plants).
- Formalize fertilizer inventory control through a national fertilizer inventory system that tracks stocks and flows of fertilizer and unused warehouse space. Complement inventory control with a price information system that tracks trends in the secondary market for fertilizer in Ethiopia and surrounding countries.
- Reduce carryover stocks (which contribute unnecessarily to port congestion). Integrate them into a warehouse-receipt scheme.
- Ensure that national road-rehabilitation programmes focus on roads that link railyards, logistics centres and blending plants, as well as the roads to Berbera and Port Sudan.

2. *Port rationalisation*

- Coordinate imports at PAID (Djibouti) across all Ethiopian importers to spread demand over the seasons.

3. *Port diversification*

- Until the opening of the Ethio-Djibouti railway, import (say) 1/3 of first-quarter wheat-plus-fertilizer imports through some combination of Berbera and Port Sudan.

4. *Trucking-sector reform*

- Revise trucking-sector taxation to reduce the sales tax and increase tax in subsequent years in a revenue-neutral way.
- Build on ongoing GoE reforms of the trucking sector to ensure a more professional trucking sector. Provide support to the medium-sized firms created by these reforms: support for a truckers' association and training in driving, mechanics, logistics and accountancy.
- Allocate at least one AISE contract to one of the new trucking firms/associations formed in 2013/2014.

5. *Transit trucking facilitation*

- Work with the Djibouti authorities to:
 - i. open the Djibouti border post 24/7

- ii. create queuing areas on both sides of the border in order to allow government officials to distinguish between different categories of truck, e.g. empty or approved economic operator, for preferential treatment
- iii. speedup the stuffing of containers of export goods at Djibouti port.

6. Warehousing

- Inventory GoE and privately run storage that might serve for fertilizer with a view towards better management of fertilizer in general by AISE and the union coops. In particular, identify weaknesses in, and opportunities for, storage for blending plants and low-cost storage imports during late-Q3/early-Q4 when congestion at PAID is low.
- Provide incentives and training for primary coops to increase and improve their fertilizer storage capacity and explore the likely success of a fertilizer pricing structure that provides an incentive for primary coops to buy fertilizer early in the season.
- Put in place incentives for the private sector to provide high-quality warehousing that might serve for a warehouse-receipt scheme.
- Explore with ECX and the ECX Authority the requirements for introducing a warehouse receipt scheme with ECX or a similar scheme whereby fertilizer serves as collateral for the purposes of financing and safe storage.
- Allow the private sector to market fertilizer in areas beyond the currently well-served regions.
- Train warehouse staff in storage techniques, book-keeping and inventory management.
- Allow coops to add some portion of the value of their throughput to their sales price in order to cover training and investment in maintenance of the warehousing.

7. Assessments

Analyze:

- the logistics of using as part of a bulk-fertilizer supply chain the rail hopper wagons for bulk commodities that ERC has already ordered as part of an economy-wide migration towards rail shipments of bulk commodities
- the benefits and costs of (a) increasing blending-plant capacity to accommodate proposed Yayo feedstock production, (b) exporting the surplus feedstock and (c) reducing feedstock production
- options for:
 - i. a fertilizer inventory system
 - ii. Fertilizer market information system.

Recommendations by importance and timing

	Immediate	By 2016
Priority	<ul style="list-style-type: none"> • Reduce seasonal PAID congestion via a combination of (a) use of Port Sudan/Berbera, (b) reducing seasonal peak demand. • Analyse the conditions, particularly the scale of operation, under which bulk processing becomes profitable. • Allow private-sector operation of fertiliser blending plants beyond those that allow GoE to meet GTP goals. • Focus road improvements to lower trucking prices between ports, blending plants and union-coop warehouses. • Promote trucking professionalism: <ul style="list-style-type: none"> ○ training (logistics, accounting, driving, maintenance) ○ support to professional associations • Include among the companies given AISE contracts to truck fertilisers several of the new trucking companies and/or associations. • Organise 24/7 offloading of trucks in Ethiopia • Train warehouse staff in storage techniques, book-keeping and inventory management. • Allow coops to add a proportion of the value of their throughput to their sales price in order to cover training and infrastructure investment. • Provide credit and other incentives for the private sector to construct or rehabilitate warehouses to international norms. • Provide incentives for union coops to meet projected warehousing needs through long-term contracts. • Improve logistics, particularly through web-based ICT systems in preparation for integration of maritime, rail and road shipments. • Develop ICT to track warehouse inventories and available warehouse capacity. 	<ul style="list-style-type: none"> • Build an inventory-management system to guide and track decisions for allocation of inputs to 20 plants and of outputs to multiple clients. • Instigate a private-sector-run secondary market for fertiliser. • Periodically carry out financial studies to evaluate the introduction of bulk fertiliser operations. • Boost the number of blending plants. • Extend the rail line from Bedele to Yayo. • Plan additional blending plants with a view to optimising location with respect to supply by road & rail and as part of a fertiliser-supply network. • Open the Djibouti border post 24 hours a day. • Speed up the stuffing of containers at Djibouti port. • Create queuing areas on both sides of the border in order to allow government officials to distinguish between different categories of truck for preferential treatment.
Preference	<ul style="list-style-type: none"> • Incentivise primary coops to take delivery of blended fertiliser earlier than they have hitherto taken shipments of DAP and urea. • Trade fertiliser produced beyond GTP goals on ECX to meet the needs of coops, plantations, blending plants & foreign clients. • Compare the costs of importing containerised pre-bagged fertiliser via DMP and importing in bulk for bagging at PAID, including congestion costs at both terminals. • Revise truck taxation to alleviate initial import and other taxes and increase annual taxation in a revenue-neutral way. • Study options for a fertiliser inventory system, including specific benefits and ongoing costs. • Study options for a fertiliser market-information system. 	<ul style="list-style-type: none"> • Facilitate free trade through reciprocal transport & transit agreements with neighbouring countries. • Establish the conditions in which truckers would pay for a satellite-tracking service for trucks.

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 supra 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. AGP-AMDe Project 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 3 Business Enabling Environment Activity Tracker January – March 2014

Activity Description	Indicator and Unit	Planned Months of Implementation			Jan- Mar Actual	Reasons for Variation
		Jan	Feb	Mar		
Increased Private Sector Participation in Input Distribution						
Continue to address implicit restrictions for private traders to engage in fertilizer distribution and pilot a private fertilizer distribution initiative in selected Oromiya woredas	# private traders licensed to sell fertilizer				Consultations with the Oromia Bureaus of Trade and Industry, and Agriculture	The regional bureaus are yet to commit to roll out the pilot
Undertake 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, and International Benchmarking Study Tour	# study, # participants				Analysis completed and validated, and study tour yet to take place	Study tour rescheduled to next quarter
Reduce Output Market Distortions						
Review best practices from the region and beyond on how export bans are introduced and reintroduced in a more predictable and transparent manner for agricultural investment					Not yet commenced	It will commence following the completion of work on “ Assess what impact the export restrictions on maize and wheat have on the market and the growth of the maize and wheat value chain”
Assess what impact the export restrictions on maize and wheat have on the market and the growth of the maize and wheat value chain	Report and Policy Recommendations				Ongoing	Draft report completed and is under review and the final report will be completed next quarter
Examine what impact subsidized imported wheat has on the production and the supply of wheat and develop appropriate recommendations	Report and Policy Recommendations				Ongoing	Draft report completed and is under review and the final report will be completed next quarter
Compile and publish a guide on Ethiopian laws and policies relevant for foreign investment in the agriculture.	Publication				Consultation continued with the new Agricultural Investment Land Administration Agency	Due to the ongoing staffing of the new Agency(the former Agricultural Investment Support Directorate of MoA) the Agency is yet to decide when this activity should

Activity Description	Indicator and Unit	Planned Months of Implementation			Jan- Mar Actual	Reasons for Variation
		Jan	Feb	Mar		
						commence
Follow up of the formation of the national agricultural finance system including wheat based input credit system introduced by ATA in view to increase fertilizer use in selected Woredas in Oromiya					Discussion with FCA management	The FCA is in a phase of building internal consensus on agricultural finance
Increase Efficiencies in Transportation and Logistics						
Develop a comprehensive fertilizer procurement and distribution strategy to improve the efficiency of the fertilizer supply chain	Strategy developed				Completed	
Organize Customs/Export Logistics Best Practices Symposium	Training delivered				Completed	
Provide technical assistance to the Ministry of Trade to develop a directive(s) for licensing warehouses offering commodity collateral financing	# Directives				Yet to be implemented	The Ministry of Trade has not made the necessary policy decisions during the quarter
Strengthen the Institutional Structure to Support Policy Reviews and Implementation						
Study tour to selected coffee producing countries to support the MoT and MoA's on-going review of the coffee institutional structure by exposing them to best practices in other coffee producing countries	# participants				Yet to be implemented	The Ministry of Agriculture has advised that the study tour ought to be moved to Q4
Provide technical assistance to enhance the recognition, promotion and understanding of market demands for Ethiopian coffee in order to strengthen the Coffee Trademark and Licensing Initiative	TA in the MoT				Yet to be implemented	AGP-AMDe has been advised to delay this activity by the Ministry of Trade until further notice

COMPONENT 4: GRANTS TO STIMULATE INNOVATION AND INVESTMENT

Overview

The Innovation Fund is a key resource available to facilitate investments in a broad range of competitiveness-enhancing activities, with specific focus placed on innovative approaches and technologies. The project identifies strategic leverage entry points in each value chain and collaborating partners for innovative grant interventions. Emphasis is on initiating and delivery of foundation grants as smart matching funds to establish a strong base for investments and sustainability.

The innovative activities funded by AGP-AMDe grants will lead to expansion of service networks and increased value addition which will create demand pull and improved service delivery for farmers, which will result in access to new resources, information and markets; and subsequently adoption of new technologies and increased income opportunities. 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.

Summary of Top Results

Grants Awarded: AGP-AMDe has awarded 190 grants worth a total of 10,093,393 USD of which 3,179,667 USD (31%) have been disbursed to date. The total grant awarded will attract approximately 11,818,845 USD in cost share contribution by grantees and third party partners. In this quarter, 51 new grants worth 2,457,643 USD out of the total above were awarded. In addition, grants in the amount of 4,067,486 USD are in the process of approval.

Region	# of Grants Awarded To-date	Amount Awarded, To-date (USD)	# of Grants Awarded, This Quarter	Amount Awarded, This Quarter (USD)
Amhara	38	1,971,991	1	353,547
Tigray	26	1,901,538	10	229,246
SNNPR	38	1,412,307	7	589,656
Oromia	76	4,142,752	10	1,268,671
Addis	12	664,806	23	16,522
Total	190	10,093,393	51	2,457,643

Investment leveraged: To-date, AGP-AMDe's total grant amount of 10,093,393 USD has attracted partner investment in fixed assets of a total of 8,432,474 USD. These investments are typically in form of agricultural and agro-processing machineries and equipment (such as cleaning machines, coffee washing machines, tractors and implements; laboratory equipment and post-harvest equipment) as well as investment in storages and machine sheds etc.

Region	Partner Investment in Fixed Assets To-Date (USD)
Amhara	2,250,290
Tigray	2,152,484
SNNPR	2,258,444
Oromia	1,677,174
Addis	94,081
Total	8,432,474

Key Activities and Successes

Innovation Fund Support by Value Chain

Sesame Innovation Grants

During this quarter the following grant activities were awarded and are under implementation.

- Through the innovation grant support, Tigray Multipurpose Federation (TMF) procured of a modern sesame cleaning machines, which will result in expanded cleaning services to its member FCUs and primary cooperatives increasing processing and marketing capacity.
- Procurement of seed laboratory and irrigation equipment is underway to support TARI and ARARI research centers. These research grants will help improve the research centers capacity to produce high quality sesame foundation seed.
- Tsehay FCU is implementing a cleaning machine procurement grant to improve its export competitiveness, for which the cost-share contribution is building the storage and processing warehouse.

Sesame Innovation Grants as of March 2014

#	Name of Grantee	Status	Total Amount Awarded (USD)	Grant Activity	Region
1	EPOSPEA	Completed	22,972	Conduct 2nd international conference	Addis
2	Dansha Awurora FCU	Completed	387,744	Warehouse, office, toilet & fence	Tigray
3	Setit Humera FCU	Completed	420,666	Warehouse, office, toilet & fence	Tigray
4	EPOSPEA	Completed	33,439	International Trade Fair coordination	Addis
5	Metema FCU	Completed	392,920	Warehouse, office, toilet & fence	Amhara
6	Selam FCU	Completed	416,223	Warehouse, office, toilet & fence	Amhara
7	TARI	In Process	136,298	Irrigation and Lab equipment	Tigray
8	Tigray Marketing Federation (TMF)	In Process	222,222	Sesame cleaning machine	Tigray
9	Tsehay FCU	In Process	157,895	Sesame cleaning machine	Amhara
10	EPOSPEA	In Process	85,614	2013 Conference and trade shows	Addis
	Total		2,275,993		

Chickpea Innovation Grants

- During this quarter, AGP-AMDe issued a grant to Agro Prom International PLC to support the private sector partner acquire a modern chickpea/sesame cleaning machine system. Through this cost sharing grant, AGP-AMDe help establish strong partnership between Agro Prom and chickpea farmers through contractual farming and farmer training. Agro Prom International PLC first piloted contractual farming in Setit Humera area in Tigray region and is now working with over 4,600 sesame producing farmers in that area. The grantee plans to replicate this successful and innovative model working with over 2000 chickpea farmers of the Lume Adma and Error FCUs near Adama area in Oromia region. By developing a long term relationship with chickpea farmers near Adama area (where the chickpea/sesame cleaning plant will be installed), Agro Prom plans to increase the chickpea export value and volume, sourcing chickpea from the

contract farmers. The grant amount of 168,079 USD will be leveraged by partner investment of about 272,085 USD.

- AGP-AMDe also provided a grant support to a small primary seed producing cooperative, Biftu Local Seed Multiplication/Production Cooperative Society, to enable the coop to increase localized chickpea seed production and distribution in Lume Woreda of Oromia region. This coop is one of the four seed producing cooperative grantees identified by The Integrated Seed Sector Development (ISSD) Program. The grant support will assist the seed-producing cooperative to improve its ability to produce and distribute quality chickpea seed to local farmers.
- Irrigation and lab equipment grants awarded to the Federal EIAR and ARARI research centers to support increased production of foundation chickpea seed is under implementation during the quarter.
- During this quarter, GUTS Agro Industries through AGP-AMDe grant, market linkages and technical assistance supports, launched phase I pilot of three new chickpea products: a chickpea-based Ready-to-use-Supplementary food (RUSF) developed for World Food Program (WFP), with support from PepsiCo; a new ready to cook chickpea Shiro powder— nutritious, savory and popular Ethiopian meal made of chickpea ground into flour mixed with spices; and a new dry roasted chickpea snack product, or “Kolo”, which is the first of its kind to be produced in Ethiopia. Guts Agro Industry is working closely with the Agriculture Transformation Agency (ATA), USAID and WFP in launching these new products in Ethiopia and internationally.
- Bale Green Spice and Grain PLC, through a cost-sharing grant of 116,479 USD, is currently implementing its activity to multiply and distribute seeds to smallholder farmers. The grantee will contribute over 78,422 for this grant activity.

Chickpea Innovation Grants as of March 2014

Ref #	Name of Grantee	Status	Total Grant Awarded (USD)	Grant activity	Region
1	Becho Woliso FCU	Completed	47,816	Chickpea seed production & distribution	Oromia
2	Lume Adama FCU	Completed	47,816	Chickpea seed production & distribution	Oromia
3	Tsehay FCU	Completed	7,573	Chickpea seed production & distribution	Amhara
4	Tsehay FCU	Completed	47,816	Chickpea seed production & distribution	Amhara
5	Becho Woliso FCU	In Process	90,851	Chickpea seed production & distribution	Oromia
6	Lume Adama FCU	In Process	6,629	Chickpea seed production & distribution	Oromia
7	Arari	In Process	104,505	Irrigation and Lab equipment	Amhara
8	Bale Green Spice and Grain PLC	In Process	116,479	Seed multiplication and distribution	Oromia
9	GUTS Agro Industries	In Process	66,411	Value added chickpea products (ready to use food, super-cereal plus)	SNNPR
Total			535,895		

Coffee Innovation Grants

- In this quarter, METAD Agricultural Development PLC was awarded an innovation grant of 172,522 USD to establish a coffee washing station and dry mill processing facility. This grant support is leveraged by partner cost share of 394,062 USD as well as 200,000 USD private equity investment for its “Coffee: Seed-to-Cup” business expansion program secured through AGP-AMDe investment facilitation. The grant support will assist METAD to process and export high quality specialty coffee beans. AGP-AMDe's assistance will also help METAD train over 750 out-growers to harvest and process high quality coffee cherries/beans, enabling farmers to earn a higher premium for their coffee.
- During the quarter, AGP-AMDe approved an in-kind grant to Ethiopian Commodities Exchange (ECX) in the amount of 174,738 USD to upgrade three ECX regional laboratories (Jimma, Dilla and Hawassa) and provide them with modern laboratory equipment that will enable them to secure certification from Specialty Coffee Association of America (SCAA). Certification by SCAA will ensure that the ECX laboratories are operating with a recognized international best practices for quality discovery and control functions.
- AGP-AMDe approved an important institutional support grant to Ethiopian Commodities Exchange (ECX) in the amount of 1,108,715 USD. This grant support will help ECX to customize, license and launch a Digital Traceability System for ECX to support both increased traceability within ECX's current inventory management as well as traceability from farmer to ECX and onward to exporters, roasters and consumers initially for coffee and upon successful start-up for sesame as well both per market demand. In addition to the commodity goods tracing systems, data collection and input tracking modules will allow the ECX to conduct further analysis about the product origin and improved quality controls while making connections between farmer consolidation points and through the ECX to exporters and beyond. The grant support will finance customization of software, hardware & system software, licensing fees and handling costs for the start-up and implementation of the new systems. The AGP AMDe grant will attract substantial matching funds, leveraging and investment both from ECX and international buyers as well as other strategic partners, enhancing sustainability of the Digital Traceability System.
- Grant implementation is underway for three private sector grant activities: namely, Abdurahman Nuru Coffee Plantation Development, Ketim Plc, and Yidnekachew Dabessa Coffee Plantation, all for expansion of coffee processing capacity and acquisition of coffee pulpers and drying beds.
- Five Oromia Coffee Farmers' Primary Cooperatives (Asendabo, Nano Cala, Sadi Loya, Omo Bako, and Shobe Coffee Farmers's Primary Cooperatives) are implementing their respective grant activities (worth a total 260,923 USD) to expand coffee processing capacity by establishing coffee washing stations & drying beds. These coffee infrastructure will improve coffee quality and fetch higher price and better income for smallholder farmers.

Coffee Grants as of March 2014

Ref. #.	Name of Grantee	Status	Total Amount Awarded (USD)	Grant activity	Region
1	ECX	Completed	13,444	ECX-cooperative 2nd annual forum	Addis
2	ECX	Completed	5,469	SCAA Certified Lab Addis	Addis
3	Andode PC	In Process	49,221	Seedling production	Oromia
4	Atnago PC	In Process	49,221	Seedling production	Oromia
5	Bufeta Gibe PC	In Process	49,221	Seedling production	Oromia
6	Kaffa Forest	In Process	13,453	Seedling production	SNNPR
7	Yirgachaffe FCU	In Process	11,944	Seedling production	SNNPR
8	Ethiopian Coffee Exporters Association	In Process	40,180	Second International Ethiopian Coffee Export Conference	Addis
9	Abdurahiman Nuru Coffee Planation	In Process	36,779	Coffee pulpers & drying beds	SNNPR
10	Ketim Plc	In Process	36,779	Coffee Pulpers & drying Beds	Oromia
11	Yidnekachew Dabessa Coffee Plantation	In Process	36,779	Coffee pulpers & drying Beds	SNNPR
12	Asendabo Coffee Farmers' PC	In Process	52,185	Washing Station	Oromia
13	Nano Cala Coffee Farmers' PC	In Process	52,185	Washing Station	Oromia
14	Sadi Loya Coffee Farmers' PC	In Process	52,185	Washing Station	Oromia
15	Omo Bako Coffee Farmers' PC	In Process	52,185	Washing Station	Oromia
16	Shobe Coffee Farmers' PC	In Process	52,185	Washing Station	Oromia
17	Ethiopian Commodities Exchange (ECX)	Approved	1,108,715	Digital Traceability System	Multiple
18	Ethiopian Commodities Exchange (ECX)	In Process	174,738	SCAA Certification (Jimma, Dilla & Hawassa)	Multiple
19	METAD Agricultural Development plc	In Process	172,522	Washing station and dry mill processing facility	SNNPR
Total			2,059,390		

Honey Innovation Grants

- Kaffa Forest Bee FCU is implementing its grant to develop a honey processing center that will improve their capacity to source more honey from smallholder bee keepers.
- A grant to Beza Mar is under implementation, supporting the development of demonstration sites, a honey processing and technology center which will lead to creation of organized markets and availability of high yielding, modern hives for smallholder beekeepers.
- Another grant support to Tsedey Mar was under implementation during the quarter. The grant will establish a technology center where improved equipment will be produced and distributed to farmers on a commercial basis, addressing key challenges in production of honey in Ethiopia.

The processing center will in turn provide an additional marketing outlet for honey coming from improved production and the project will work on facilitating further marketing outlets.

- Zenbaba Bee Products Development & Marketing Cooperative Union in Bahir Dar, Amhara region, is implementing its grant activity to acquire modern honey processing plant. AGP-AMDe facilitated market linkage and financing mechanism where the international honey buyer contributed 50% of the honey processing machine cost (approximately 50,000 USD), while the remaining cost and Fair Trade and Organic Certification technical assistance was covered by AGP-AMDe. The international honey buyer also signed an MOU with the union to procure 150MT honey from Zenbaba at approximately 3.55 USD/kilo, resulting in over 532,000 USD in next harvest season. After coordinated logistics support by AGP-AMDe, the honey processing plant is currently being transported from Djibouti port to the FCU's site for installation. Zenbaba FCU recently signed a private partnership agreement through the support of AGP-AMDe with Paraodi Apiculture (a world leader in the provision of honey) to supply one thousand tons of honey and other bee products each year. This grant support and partner investment will help achieve the objective of this partnership agreement. The grant resources will increase Zenbaba FCU's ability to fulfill Paraodi Apiculture's needs in volume of honey as well as ensure increased competitiveness in the global market.
- Grants to COMEL PLC-Welela Honey Processing and Hashange FCU were also under implementation during this quarter to support the grantees to acquire honey processing machinery and storage units.

Honey Innovation Grants as of March 2014

Ref #	Name of Grantee	Status	Total Amount Awarded (USD)	Grant activity	Office Location
1	Ethiopian Apiculture Board (EAB 1)	Completed	116,000	ApiExpo Africa 2012	Addis
2	Ethiopian Apiculture Board (EAB 2)	Completed	26,370	EU accreditation payment support 2012	Addis
3	Ethiopian Apiculture Board (EAB 3)	In Process	35,575	EU accreditation payment support 2013	Addis
4	Kaffa Forest Bee FCU	In Process	33,000	Store and equipment for processing	SNNPR
5	Beza Mar	In Process	94,458	Honey processing centers	Addis
6	COMEL PLC Welela Honey Processing	In Process	63,932	Processing machinery	Tigray
7	Hashange FCU	In Process	69,152	Store and processing unit	Tigray
8	Zembaba FCU	In Process	38,084	Processing machinery	Amhara
9	Tseday Mar	In Process	75,676	Technology center and demo	Oromia
10	Holeta RC	In Process	81,061	Training and queen rearing	Oromia
	Total		633,308		

Wheat Innovation Grants

- During the quarter, AGP-AMDe awarded seed grants to four small seed-producing cooperatives in Oromia region, including Ifa Bari Improved Seed Multiplication Cooperative Society Ltd., Dureti Tulu Seed Producers' Cooperative Society, Wirtu Kachama Seed Multiplication Cooperative Society and Biftu Local Seed Multiplication/ Production Cooperative Society. Through the innovation fund, AGP-AMDe is providing tractors and related equipment to four of the cooperatives, including 1,100 MT of quality seed, which will be used by more than 12,000 smallholder farmers. These coops identified in collaboration with The Integrated Seed Sector Development (ISSD) Program. The four grants support the wheat value chain in Oromia and will help these small seed-producing cooperatives to improve their ability to produce and distribute quality seed to local farmers.
- A partnership grant was also issued to Gebru Hagos Integrated Farm in Alamata, Tigray region. The grant amount of 33,723 USD will be leveraged by partner investment of approximately 26,137 USD to purchase a tractor and disc plough. This grant assistance will introduce agricultural mechanization in one of the wheat and chickpea producing areas in Southern Tigray.
- Procurement is underway for the four in-kind grants that provided 14 threshers each to Bokra (Tigray), Errer, Wodera and Melik (SNNPR) FCUs (total award amount is 196,000 USD). Thresher procurement and official handover ceremony has been conducted for Melik and Bokra grants; while Errer and Wedera FCUs have also initiated the procurement process during the quarter. These grant activities will help substantially reduce post-harvest losses and also facilitate adoption of new technology using modern wheat threshers.
- Through a partnership with the EIAR and regional research institutes, grant awards amounting to 253,602 USD are under implementation to produce foundation seeds, for both durum and bread wheat varieties. The grants provide irrigation and seed lab equipment which will enhance the production volume and quality of foundation seeds produced by the centers. The research centers have committed to providing 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 in AGP target woredas.
- Kifiya Financial Technology is implementing its grant program of 247,559 USD to provide innovative mobile banking financial services to over 49,000 smallholder farmers. This grant activity attracted significant investment (USD 235,840) from the grantee as well as donor support by Bill and Melinda Gates Foundation and the Dutch Government.

Wheat Innovation Grants as of March 2014

Ref #	Name of Grantee	Status	Total Amount Awarded (USD)	Proposed request (summary)	Region
1	Bokra FCU	In Process	49,000	Wheat threshers	Tigray
2	Errer FCU	In Process	49,000	Wheat threshers	Oromia
3	Wodera FCU	In Process	49,000	Wheat threshers	Amhara
4	Melik FCU	In Process	49,000	Wheat threshers	SNNPR
5	ORARI	In Process	37,169	Irrigation and Lab Equipment	Oromia
6	Federal EIAR	In Process	242,915	Irrigation and Lab Equipment	Oromia
7	Federal EIAR	In Process	14,014	Irrigation and Lab Equipment	Oromia
9	Ifa Bari PC	In Process	60,520	Tractor and implements	Oromia
10	Wirtu Kechema PC	In Process	60,520	Tractor and implements	Oromia

11	Dureti Tulu PC	In Process	60,520	Tractor and implements	Oromia
12	Gebbru Hagos	In Process	33,723	Tractor and implements	Tigray
Total			705,381		

Maize Innovation Grants

- During the quarter AGP AMDe issued a grant to Bayeh Mekonnen Agricultural Farm PLC (117,584USD) to enable the private sector grantee build a wheat/maize flour processing plant in West Gojam, Amhara Region. This grant will help to expand investment into agro-processing by establishing a wheat/maize flour processing plant; thereby strengthening strong linkages between suppliers of maize and wheat in the area and downstream market for flour. The plant will produce and supply 6000MT flour and 1500MT bran (livestock feed) every year to the market. The grantee will source over 7,800MT wheat and maize (2,900MT from own farm and 4,900MT from smallholder farmers that will benefit from the market access provided through this grant activity. Approximately 10,000 smallholder farmers will benefit from this market linkages as a result of this wheat/maize processing investment. In summary the grant will catalyze investment and provide market access to smallholder farmers.
- AGP-AMDe issued small grant awards to 15 Farmers Cooperative Unions in the regions of Oromia, Amahara and SNNPR. The grant support will provide the FCUS with innovative post-harvest handling equipment required to maintain quality harvest and enable them to take part in the commodity market provided through the World Food Program's Purchase for Progress (WFP P4P) and other large commercial buyers. These grants are coupled with contracts between FCUs and WFP P4P program to deliver quality maize on a long term contractual relationship basis. AGP-AMDe and WFP P4P's program share a mutual objective of enhancing the maize commodity value chain through improved post-harvest handling and creating opportunities for farmers to maintain marketable quality of maize and enable them to access the WFP P4P market. AGP-AMDe provides the post -handling equipment, while P4P will provide the market for the beneficiary FCUs
- A grant award to Mohammed Awel Agricultural Organization was under implementation during the quarter. The grantee placed order to acquire a modern cleaning machine.
- During the quarter implementation was underway for the research grant awards to the EIAR and regional research institutes including Bako and Hawassa research centers that specialize in hybrid maize seed production, 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 seen as the major agricultural initiative, along with promotion of fertilizer use, to increase maize production in country. The research centers have committed to provide improved foundation hybrid maize varieties such as BH-661, BH-540 and other varieties to certified seed producers to support further multiplication and distribution of seed. AGP-AMDe works with public and private seed producers to ensure distribution to farmers in AGP Woredas. These seed producers are also trained to handle increased production and apply modern input distribution practices.

Maize Innovation Grants as of March 2014

Ref #	Name of Grantee	Status	Total Amount Awarded (USD)	Grant activity	Region
1	ORARI	In Process	38,933	Irrigation and Lab Equipment	Oromia
2	SARI	In Process	104,505	Irrigation and Lab equipment	SNNPR
3	Mohammed Awel Agric. Organization	In Process	160,000	Seed cleaning machine	SNNPR
	Total		303,438		

Access to Finance Innovation Grants

Ref #.	Name of Grantee	Status	Total Amount Awarded (USD)	Grant activity	Region
1	Kifiya Financial Technology	In process	247,559	Mobile banking	Various
2	Cooperative Bank of Oromia	In process	248,627	SACCO support	Oromia
	Total		496,186		

Innovation Grant Involving Multiple Value Chains and Regions

Ref. #.	Name of Grantee	Status	Total Amount Awarded (USD)	Grant activity	Region
1	Ministry of Agriculture AGP Portal	In Process	16,522	Server Improvements for AGP Knowledge Portal	Various
2	Grading Equipment (39 FCUs)	In process	228,496	Grading Equipment	Various
	Total		245,018		

- During the quarter, AGP-AMDe issued a grant to Cooperative Bank of Oromia. This grant will provide support to 24 SACCOs & enhance access to finance for smallholder farmers.
- During the quarter, a grant support was also provided to the Ministry of Agriculture to upgrade and improve the AGP knowledge portal through procurement of IT infrastructure equipment and training.
- AGP-AMDe also awarded 39 small grants to several FCUs across the four regions. The grants will provide grading equipment to help reduce post-harvest loses and improve quality of harvested maize, coffee, honey, wheat, chickpea and sesame.

Grants to Support Partnership with Public Sector Agricultural Research Centers

Procurement of seed laboratory, irrigation equipment and other research equipment is well underway during the quarter. Vendors have been identified, purchase order agreements executed and AGP-AMDe is in the process of sourcing these equipment made possible through the research grant awards. A total grant of 637,753 USD was awarded in the previous quarters to the eleven agricultural research centers, administered under the Ethiopian Institute of Agricultural Research (EIAR) 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 grants 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 improve capacity 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 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 research centers taking into account crop distributions. 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.

Agricultural Research Innovation Grants as of March 2014

Ref #	Name of Grantee	Status	Total Amount Awarded (USD)	Grant activity	Region	Value Chain
1	ARARI	In Process	104,505	Irrigation and Lab equipment	Amhara	Chickpea
2	ORARI	In Process	37,169	Irrigation and Lab Equipment	Oromia	Wheat
3	ORARI	In Process	38,933	Irrigation and Lab Equipment	Oromia	Maize
4	SARI	In Process	104,505	Irrigation and Lab Equipment	SNNPR	Maize
5	TARI	In Process	136,298	Irrigation and Lab equipment	Tigray	Sesame
6	Federal EIAR	In Process	242,915	Irrigation and Lab Equipment	Oromia	Wheat
7	Federal EIAR	In Process	14,014	Irrigation and Lab Equipment	Oromia	Wheat
Total			678,340			

Public Private Partnership Analysis

AGP-AMDe has significantly expanded Public-Private Partnership investments through smart innovative grants which reduce risks and leverage investment as well as expands sales and market linkages. Through a combination of innovative grant investments and partnership technical assistance, AGP-AMDe leveraged investment and facilitated exports. To-date, for AGP-AMDe innovation grants of 7,718,124 USD and 1,343,998 in partnership technical assistance (in collaboration with Dupont Pioneer, Parodi & Olam International and others) to private sector partners, the project attracted 27,868,045 USD from private sector and other development partners as leveraged investments (23,778,483 USD from private businesses, associations and donors, and 4,089,562 USD from Farmer Cooperative Unions). Note that these leveraged investments include significant donor support (Bill and Melinda Gates Foundation and the Dutch Government) for Kifiya Financial Services to expand its mobile financial services technology to serve smallholder farmers.

In addition, these partnership investments facilitated export sales of over 16,738,700 USD to-date. The primary beneficiaries of this export facilitation and market linkages have been farmers through primary cooperatives and unions. On average one dollar of AGP-AMDe grant investments catalyzed over 3.60 dollars of leveraged investment from the private sector while facilitating two dollars in export sales. The Innovation Fund is designed to create such sustainable investments over the long term—the exports and leveraged private sector investments will continue well beyond the life of project. To date, AGP AMDe facilitated over 70 public-private partnerships through its catalytic grant supports, and other project supports such as market linkages and technical assistance.

Summary of Private Sector Partnership		
Grants awarded (in progress) to private sector partners	\$7,718,124	
Technical Assistance (Dupont Pioneer activity & Olam)	\$1,343,998	
Investment by AGP AMDe		\$9,062,123
Private sector business & associations investment	\$23,778,483	
Farmers Cooperative Unions investment	\$4,089,562	
Total Private Sector Investment		\$27,868,045
Markets/Exports Facilitated		\$16,738,700

Sell More Form More (SMFM) Cascaded Training Grants

The SMFM training uses Training of Trainers (ToT) approaches to train a large number of farmers through cascading program. The ToT program directly trains the lead farmers and the lead farmers, in turn, train a wider base of farmers at the farm gate level. A cascade approach is the strategy identified to address this huge training need identified in AGP-AMDe PMP, and FCUs and cooperatives facilitate cascading of the SMFM agricultural training to their cooperative members.

To-date AGP-AMDe trained 1,116 lead farmers and through cascading trained 56,488 farmers at a total cost of 226,766 USD or an average cost of 3.94 USD per farmer in collaboration with Farmer Cooperative Unions to build sustainable service provision and capacity (see table below).

SMFM cascade training progress (March, 2014)

Region	S.No	Name of FCU	Value Chain	# of TOT training participants /lead farmers			Cascade training			Grant budget for cascading in USD	Cascading training funds transferred to FCUs
				Plan	achivement	%	Target	achivement	%		First round
Oromia	1	Galema FCU	Wheat	80	100	125%	4,800	4,800	100%	29,579	2,958
	2	Raya Wakena FCU									2,958
	3	Sikomondo FCU									2,958
	4	Ambo FCU									5,895
	5	Agarfa Kajawa FCU									2,958
	6	Chefebuluk	Maize	60	88	147%	3,600	3,600	100%	22,000	4,775
	7	Haragu									3,931
	8	Bako									4,432
	9	Gibe Dedesa									4,432
	10	Liben FCU									4,432
	11	Buno Bedele	Coffee	80	80	100%	4,800	4,800	100%	28,733	11,372
	12	Limu Inera									8,634
	13	Arega									8,727
	14	Becho woliso									7,405
	15	Lume Adama									5,914
	16	Erer	Honey	60	83	138%	1,900	400	21%	11,084	5,914
	17	Chilimo PC									3,069
	18	Gudina kiltu honey PC									961
	19	WETA honey PC									589
	20	Muto honey PC									959
	21	Gudina honey PC									846
	22	Demitu honey PC									846
	23	Mume Dema honey PC	846								
		Regional total		332	432	130%	18,220	16,650	91%	110,102	95,808
Tigray	1	Hashengie	Wheat	40	40	100%	2,400	2,450	102%	13,700	2,794
	2	Bokra									4,056
	1	Lemlem Wolquait	Honey	30	41	137%	2,460	2,026	82%	15,148	1,663
	2	Bokra									2,402
	3	Hashengie									3,287
	1	Dansha Awrora	Sesame	80	70	88%	4,800	3,732	78%	27,497	4,812
	2	Setit Humera									5,136
	3	Lemlem Wolquait									2,217
	4	Tekeze									2,286
		Regional total		150	151	101%	9,660	8,208	85%	56,345	28,652
SNNPR	1	Melik	Wheat	40	35	88%	2,400	4,304	179%	11,895	5,948
	2	Edget									2,385
	1	Keffa forest coffee	Honey	40	43	108%	2,400	2,423	101%	10,074	4,266
	2	Benchi (Honey)									2,343
	1	Admas	Maize	60	118	197%	3,600	4,034	112%	23,903	2,807
	2	Sidam Elto									2,956
	3	Oysa dawro									1,398
	4	South omo									2,956
	5	Godufo									4,434
	6	Yem Tebaber FCU	Coffee	60	37	62%	3,420	3,784	111%	17,953	17,376
	1	Yergachefie FCU									
	2	Keffa forest coffee FCU									
	3	Benchi FCU									
	4	Teppi FCU									
		Regional total		200	233	117%	11,820	14,545	123%	63,825	46,868
Amhara	1	Gozamin FCU	Wheat	80	80	100%	5,280	3,346	63%	29,558	4,434
	2	Ghion FCU									2,956
	3	Wodera FCU									2,956
	4	Merkeb FCU									4,434
	1	Zenbaba FCU	Honey	30	29	97%	1,800	1,725	96%	10,895	5,447
	1	Metema FCU									7,389
	2	Selam FCU	Sesame	70	68	97%	4,200	3,410	81%	26,131	2,897
	3	Tsehay FCU									2,779
	1	Damot FCU									5,912
	2	Admas FCU	Maize	60	56	93%	3,600	4,550	126%	22,168	5,173
	1	Tsehay FCU									4,121
	2	Ghion FCU									3,784
	3	Wodera FCU	Chick pea	70	67	96%	3,900	4,054	104%	22,126	3,158
	1	Tsehay FCU									4,121
		Regional total		310	300	97%	18,780	17,085	91%	110,878	55,439
G.Total	-	National total	-	992	1,116	113%	58,480	56,488	97%	341,150	226,766

Private Sector Partnership Detail as of March 2014							
Partner	Value Chain	Activities	Amount Awarded/ Proposed	Amount leveraged	Technical Assistance & Other AMDe Investments	Markets/ Exports facilitated	Remarks—investments, market linkages and other partnerships
Current Private Sector Partnership							
A. Private Sector Businesses & Associations							
Ethiopian Commodities Exchange (ECX)	Coffee/ Sesame	ECX-cooperative 2nd annual forum	\$ 13,444	\$ 29,699			
Ethiopian Apiculture Board (EAB 1)	Honey	ApiExpo Africa 2012	\$ 116,000	\$ 116,000			
Ethiopian Apiculture Board (EAB 2)	Honey	EU accreditation payment support	\$ 26,370	\$ 26,370			
Ethiopian Commodities Exchange (ECX)	Coffee	SCAA Single Lab in Addis	\$ 5,469	\$ -			
Ethiopian Apiculture Board (EAB 3)	Honey	EU accreditation payment support	\$ 35,575	\$ 20,050			
Beza Mar	Honey	Investment in honey processing and technology center.	\$ 94,458	\$ 94,081			ApiExpo 2012, linked to honey producers
Kifiya Financial Technology (KFT)	Wheat	Expansion of mobile banking to 49,000 beneficiaries.	\$ 247,559	\$ 15,475,840			\$235,840 investment by grantee, 9 million Euros matching grant from the Dutch Government 50% and the remaining to be paid by Kifiya for building infrastructural for its mobile financial services technology. Moreover secured 3 million USD from Bill & Melinda Gates Foundation for Kifiya to pre-pilot the Ethiopian Financial Inclusion Program.
Abdurahiman Nuru	Coffee	Expansion of coffee processing capacity; coffee pulpers and drying beds	\$ 36,779	\$ 58,506			
COMEL plc _Welela Honey Processing	Honey	Bee keeping equipment to improve honey processing.	\$ 63,932	\$ 80,591			ApiExpo 2012, linked to honey producers
Ketim Plc	Coffee	Expansion of coffee processing capacity; coffee pulpers and drying beds	\$ 36,779	\$ 20,082			
Yidnekachew Dabesa Coffee Plantation	Coffee	Expansion of coffee processing capacity; coffee pulpers and drying beds	\$ 36,779	\$ 20,651			
Bale Green Spice and Grain Dev PLC	Chickpea	Seed Multiplication and distribution	\$ 116,479	\$ 78,422			
GUTS Agro Industries	Chickpea	Value Added Chickpea Products (Ready to use food, supercereal plus)	\$ 66,411	\$ 718,581			The grantee invested in food processing machinery (\$410,071); factory warehouse expansion (\$212,766) and upgrading of food processing plant to meet international certification-ISO certification (\$95,745)
Tseday Mar	Honey	Investment in honey processing and technology center.	\$ 75,676	\$ 114,837			ApiExpo 2012
Mohammed Awel Agricultural organization	Maize	Seed cleaning capacity building	\$ 160,000	\$ 673,292			The leveraged amount includes grantee cost share of \$364,781 for seed cleaning machine procurement. Additional the grantee constructed a new warehouse to house the cleaning machine (\$308,511).
Bayeh Mekonnen Agricultural Farm PLC	Maize	Enhance maize/wheat production and productivity	\$ 117,584	\$ 74,042			BH-661 Hybrid Maize Seed Popularization (approval in progress)
ECX SCAA Certification	Coffee	SCAA certification (In-Kind for 3 Lab Equipment)	\$ 174,552	\$ -			
Cooperative Bank of Oromia (CBO)	Finance	SACCO support and branch opening	\$ 248,627	\$ 627,546			Community warehouse receipt system
ECX Traceability Grant	Coffee	Digital traceability system	\$ 1,108,715	\$ 3,118,928			\$343,827 cost share by grantee in 2014 and 2015; \$1,139,208 grantee investment in 2016 & 17; also includes \$1,135,893 that private sector roasters will pay for traceable coffee @ \$2 per bag for 15,000mt estimate for years 2015 thru 2017. Also includes \$500,000 investment by Roasters (Nestlé, Mondelez International, Tchibo) and IDH for awareness and training at the washing station, hulling stations.
Ethiopian Pulses and Oil Seeds Producers & Exporters Association (POSPEA)		Conduct 2nd & 3rd International Conference on oil seeds; international trade fare coordination, establish African Federation (Oil seeds).	\$ 142,026	\$ 104,010			
Gebbru Hagos PLC	Wheat	Agricultural Equipment	\$ 35,054	\$ 27,168			
Agroprom International PLC	Sesame/ Chickpea	Cleaning Machine Purchase	\$ 168,079	\$ 272,085			
METAD Agricultural Development plc	Coffee	Washing Station	\$ 172,522	\$ 594,062			Through AGP-AMDe investment facilitation, the grantee secured \$200,000 private equity investment for business expansion. The grantee will also invest over \$350,000 in establishing coffee washing stations and other infrastructure.
SUBTOTAL			\$ 3,298,870	\$ 22,344,843			

Partner	Value Chain	Activities	Amount Awarded/ Proposed	Amount leveraged	Technical Assistance & Other AMDe Investments	Markets/ Exports facilitated	Remarks—investments, market linkages and other partnerships
Current Private Sector Partnership							
B. Farmer Cooperative Unions							
Becho Woliso FCU	Chickpea	Distribution of improved Chickpea seed to distribute to farmers	\$ 47,816	\$ 66,596			
Lume Adama FCU	Chickpea	Distribution of improved Chickpea seed to distribute to farmers	\$ 47,816	\$ 26,681			
Tsehay FCU	Chickpea	Distribution of improved Chickpea seed to distribute to farmers	\$ 7,573	\$ 26,681			
Tsehay FCU	Chickpea	Purchase of seed and grain (300 MT from seed activity)	\$ 47,816	\$ 27,694			
Dansha Awurora FCU	Sesame	Warehouse construction (5K MT), office, toilet & fence	\$ 387,744	\$ 166,176			
Setit Humera FCU	Sesame	Warehouse construction (5K MT), office, toilet & fence	\$ 420,666	\$ 180,285			
Metema FCU	Sesame	Warehouse construction (5K MT), office, toilet & fence	\$ 392,920	\$ 168,394		\$ 1,515,000	Market Linkages with Maviga International, FCU sold 600mt Sesame at \$2,525per MT
Selam FCU	Sesame	Warehouse construction (5K MT), office, toilet & fence	\$ 416,223	\$ 178,291			
Becho Woliso FCU	Chickpea	Purchase of seed and grain (800 MT of grain from seed activity)	\$ 90,851	\$ 69,333			
Lume Adama FCU	Chickpea	Purchase and grain (1.5 MT of grain from seed activity)	\$ 6,629	\$ 27,778			
Bokra FCU	Wheat	14 threshers	\$ 49,000	\$ 27,083			
Errer FCU	Wheat	14 threshers	\$ 49,000	\$ 34,333			
Kaffa Forest	Coffee	Seedling production (400,000)	\$ 13,453	\$ 10,863			
Kaffa Forest Bee FCU	Honey	Store & equipment for processing	\$ 33,000	\$ 101,150			
Wodera FCU	Wheat	14 threshers	\$ 49,000	\$ 75,833			
Yirgachaffe FCU	Coffee	Seedling production (600,000)	\$ 11,944	\$ 16,278			
Melik FCU	Wheat	14 threshers	\$ 49,000	\$ 57,647			
TMF	Sesame	Cleaning Machine and Color Sorter	\$ 222,222	\$ 672,885			
Tsehay FCU	Sesame	Warehouse, Cleaning Machine, Gravity Separator	\$ 157,895	\$ 771,722			
Hashange FCU	Honey	Store and processing unit	\$ 69,152	\$ 37,792			
Zenbaba FCU	Honey	Processing machinery	\$ 89,813	\$ 146,912		\$ 532,500	Amount leveraged includes \$50,000 investment by Parodi (honey buyer) for honey processing equipment. Buyer also signed an MOU with Zenbaba to procure 500mt honey from Zenbaba at approximately \$3.5/kilo. The grant amount includes additional funds of \$51,729 in approval process.
Becho Woliso FCU	Chickpea	Fertilizer Blending Plant Machine	\$ 971,735	\$ 365,910			
15 Maize Producing Unions	Various	Post Harvesting and Handling Equipment	\$ 116,200	\$ 58,400			Post harvest handling equipment grants for 15 maize producing FCUs that deliver maize to WFP P4P program
Andode PC	Coffee	Seedling production	\$ 49,221	\$ 34,954			
Atnago PC	Coffee	Seedling production	\$ 49,221	\$ 34,954			
Bufeta Gibe PC	Coffee	Seedling production	\$ 49,221	\$ 34,954			
Asendabo Coffee Farmers' Primary Coop	Coffee	Expansion of coffee processing capacity; washing stations & drying beds	\$ 52,185	\$ 88,588			
Nano Cala Coffee Farmers' Primary Coop	Coffee	washing stations & drying beds	\$ 52,185	\$ 88,588			
Sadi Loya Coffee Farmers' Primary Coop	Coffee	washing stations & drying beds	\$ 52,185	\$ 88,588			
Omo Bako Coffee Farmers' Primary Coop	Coffee	washing stations & drying beds	\$ 52,185	\$ 88,588			
Shobe Coffee Farmers' Primary Coop	Coffee	washing stations & drying beds	\$ 52,185	\$ 88,588			
Hirity Mekan Seed Producer cooperative		Quality Wheat Seed production Processing, Packing, and Marketing	\$ 43,202	\$ 34,797			
Embeba Haya Saving and Loan Co.	Finance	SACCO Capacity Building	\$ 19,137	\$ 9,796			
Biftu	Chickpea	Improved Seed Production & Distribution Capabilities	50,216	45,613			
Wirtu Kechemba	Wheat	Improved Seed Production & Distribution Capabilities	50,216	45,613			
Ifa Bari	Wheat	Improved Seed Production & Distribution Capabilities	50,216	45,613			
Dureti Tulu	Wheat	Improved Seed Production & Distribution Capabilities	50,216	45,613			
SUBTOTAL			\$ 4,419,254	\$ 4,089,562			

Partner	Value Chain	Activities	Amount Awarded/ Proposed	Amount leveraged	Technical Assistance & Other AMDe Investments	Markets/ Exports facilitated	Remarks—investments, market linkages and other partnerships
Future private sector partnerships							
A. Private Sector Businesses & Associations (Future)							
KAS International Trading	Chickpea	Chickpea Processing System	TBD	TBD			
Rahi Honey Processing Enetrprise	Honey	Honey processing equipment	42,105	30,194			Approval in process
Amaro Gayo Coffee	Coffee	Coffee Hulling facility	TBD	TBD			
Nile seeds PLC	Maize	Hybrid maize seeds production & distribution.	49,930	51,401			Approval in process
Hadia Seed and Agroindustry's PLC	Maize	Processing plant building	TBD	TBD			Nominated to Multiply for BH662
ALARNA Agro Processing and Export PLC	Sesame		TBD	TBD			
Debre Nathreith			25,223	TBD			Approval in process
Gobena Gadisa commercial farm	Maize	Training and seed distribution	\$ 44,737	TBD			Nominated to Multiply for BH661
Omo Microfinance Institute			TBD	TBD			Approval in process
AZ trading P.L.C			TBD	TBD			Approval in process
Bagiac			TBD	TBD			Approval in process
SUBTOTAL			\$ 161,996	\$ 81,596			

Partner	Value Chain	Activities	Amount Awarded/ Proposed	Amount leveraged	Technical Assistance & Other AMDe Investments	Markets/ Exports facilitated	Remarks—investments, market linkages and other partnerships
Future private sector partnerships							
B. Farmer Cooperative Unions (Future)							
Gozamen FCU	Maize	Maize warehouse	211,528	211,528			
Merekeb FCU	Maize	Maize warehouse	238,847	238,847			
Sidama Elto	Maize	Maize warehouse	208,228	208,228			
Becho Woliso FCU	Maize	Maize warehouse	221,756	221,756			
Ghibe dedesa	Maize	Maize warehouse	238,059	238,059			
Oyesa Dawro	Maize	Maize warehouse	125,679	125,679			
South Omo	Maize	Maize warehouse	123,987	123,987			
Admas FCU	Maize	Maize warehouse	238,508	238,508			
Damot FCU	Maize	Maize warehouse	239,016	239,016			
Yirgachefe Coffee Farmers	Coffee	Washing stations & drying beds	68,916	68,916			
Kaffa Coffee Farmers	Coffee	Washing stations & drying beds	78,947	78,947			
Edget FCU	Wheat	Warehouse construction for seed production & distribution.	84,611	42,306			
Dansha Aurora FCU	Sesame	Sesame cleaning machine	100,000	125,000			
Metema FCU	Sesame	Sesame cleaning machine	100,000	125,000			
Selam FCU	Sesame	Sesame cleaning machine	100,000	125,000			
Yirgachefe Coffee Farmers (Banko Gotiti)	Coffee	Coffee washing station	52,348	64,533			
Yirgachefe Coffee Farmers (Hallo Bariti)	Coffee	Coffee washing station	52,348	64,533			
Yirgachefe Coffee Farmers (Banko Dhadhato)	Coffee	Coffee washing station	52,348	64,533			
Yirgachefe Coffee Farmers (Edido)	Coffee	Coffee washing station	52,348	64,533			
Ethiopian Honey Beeswax Producers & Exporters association (EHBPEA)	Honey	Capacity building and expo	TBD	TBD			Approval in process
Leye Womens Ag. Produce and Processing PC	Chickpea		TBD	TBD			Approval in process
Idget Female Farmers Yebaltina Wutetoch Cooperative	Chickpea		TBD	TBD			Approval in process
Setit	Sesame	Optimize utilization of existing cleaning machine	26,316	8,771.93			Approval in process
Kafta Humera Sesame production and sales Cooperatives			30,000	TBD			Approval in process
Dejen Agro- business Plc			TBD	TBD			Approval in process
Haragu Farmers Cooperative Union	Maize	Tractor and implements--improved productivity	42,342	55,852			Approval in process
Limu Inaria Primary Cooperative 1			TBD	TBD			Approval in process
Limu Inaria Primary Cooperative 2			TBD	TBD			Approval in process
Shilo			TBD	TBD			Approval in process
Siko Mando Farmers Cooperative Union	Wheat	Tractor and implements--improved seed production & distribution	40,621	34,715			Approval in process
South Women Entrepreneurs' Association			TBD	TBD			Approval in process
SUBTOTAL			\$ 2,726,754	\$ 2,768,247			

Partner	Value Chain	Activities	Amount Awarded/ Proposed	Amount leveraged	Technical Assistance & Other AMDe Investments	Markets/ Exports facilitated	Remarks—investments, market linkages and other partnerships
Other Market Linkages/Partnerships							
DuPont Pioneer	Maize			\$ 1,433,640	\$ 1,243,998		Partnering in hybrid maize seed demonstration (AMSAP)
Olam	Sesame				\$ 100,000	14,691,200	Sesame export facilitated for the seasons 2012/13 and 2013/14. Beneficiary FCU include Dansha, Metema, Kafta Humera, Selam Setit Humera & Thehay FCUs. Export facilitations for future seasons underway.
Romanat PLC	Wheat						MoU Signed between 2 FCUs and Partner
Dimma plc	Honey						ApiExpo 2012, linked to honey producers
Ethiogambia	Honey						Mold for production of containers
Printing enterprise	Honey						Technical assistance for label design
K.O.JJ	Wheat						Wheat buyer/processor
Brothers PLC	Wheat						Wheat buyer/processor, nutrition intervention
Kadija PLC	Wheat						Wheat buyer/processor
Kalme oil and pulses cleaning factory	Chickpea						Processing supply and networking
				\$1,433,640	\$ 1,343,998	\$16,738,700	

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Kalme oil and pulses cleaning factory	Chickpea						Processing supply and networking
				\$1,433,640	\$ 1,343,998	\$17,956,200	

CROSS CUTTING ACTIVITIES

Nutrition

Overview

Malnutrition, with its associated illnesses and mortality, is amongst the greatest afflictions brought by poverty, especially amongst children. Chronic malnutrition or stunting among young children, in the four AGP regions, is an average of 47% which is higher than the national rate of 44.4%. Amhara (52%) and Tigray (51.4%) have the highest stunting rates in Ethiopia.

The great majority of Ethiopia's households live primarily by food production. One of the major causes of malnutrition is the inability of these rural households, especially the most vulnerable, to produce and store sufficient staple crops and sufficient accompanying foods such as pulses, vegetables, milk or meat to provide an adequate and well-balanced diet all year round. At the same time households are unable to properly compensate through food purchases due to insufficient income from cash crop, livestock production or other activities

Therefore one great challenge in defeating malnutrition is to enable households to have regular and secure access to sufficient food in quantity and quality. The keys to this are enhanced food production/handling, increased incomes through enhanced value for their marketed products and alternative income sources. However, access and availability alone will not improve household nutritional status. It is crucial that families, mothers in particular, have sufficient knowledge of the importance of a balanced diet in order to change behaviors that will affect the nutritional status of the household, especially for young children. Hence specific nutrition education is paramount.

Summary of Key Results

During the reporting period the following major nutrition activities were accomplished:

- **TOT training on nutrition-sensitive agriculture:** During the period of Jan-Mar 2014 the Nutrition team continued conducting the first phase of cascading training using SMFM nutrition training module and strategy. Accordingly, nutrition experts conducted three TOT trainings with Home Economics Agents, including the second batch of Oromia with 21 (15 females) and the other two in Amhara dividing the venues into two in Bahir Dar and Gondar. The total number of trainees in Amhara were 25 (6 female) and those from Tigray who attended the training in Gondar along with northern Amhara were 9 (4 females). All the trainees were provided with facilitator's guide, technical guide and planning book developed for this purpose. In addition to these, each of them were given 22 STICKS (Scalable Tracker for Imparting Certified Knowledge and Skills) developed both in Amharic and Tigrigna languages to be used as educational tool throughout the cascaded training down to the grass-roots level.
- **Integrated the nutrition module with SMFM training:** The technical guide developed and translated into the three major local languages will be made to integrate with the rest of SMFM training activities that will be carried out particularly when farmers get the training during off season from planting or harvesting as part of the cascading.

Key Activities and Successes

Provided TOT on nutrition-sensitive agriculture to farmers in SMFM in each value chain:

The nutrition Sell More for More (SMFM) trainings that were started during last quarter continued also in the reporting quarter. It was during this quarter that AGP-AMDe finalized the first phase of TOT training at regional level to Home Economics Agents (HEAs) of the Ministry of Agriculture (MOA) drawn from each of the AGP woredas. They will do cascaded training to Development Agents (DAs) in each of the project value chains at their respective woredas. The DAs will in turn provide one day training to Primary Cooperative members/farmers to deliver nutrition messages advocating the integration of nutrition in all agricultural activities targeting 76,000 farmers in the life of the project.

During the quarter three separate trainings were conducted at Regional level—one in Oromia to the second group of participants that was divided into two due to the number of AGP woredas in the region. The next two trainings were conducted in Amhara region in two different venues at Bahir Dar and Gondar towns splitting the Amhara region participants into two and bringing the Tigray trainees to Gondar.

The second batch of the Oromia training was carried out at Ambo town during January 14 -16 whereby 21 (15 females and 6 males) participants attended. The trainings in Bahir Dar and Gondar were conducted during January 27-29 and February 3-5 respectively. Totally, the number of participants in Amhara were 25 (6 female and 19 male) and those who came from Tigray constituting 9 (4 female and 5 male). All the trainings were conducted for three days as per the schedule.



The training methodology in all the events was participatory in which all the trainees are directly involved, share their specific local experience and put together the most important information to adopt in their respective activities. The overall focus of the training content was mainly focused on crop and diet diversity which includes the following measure topics: global and national/local nutrition situation, Introduction on nutrition, crop diversity/diet diversity, crop health/human health, crop growth/human growth, practice training with STICKS and planning and evaluation.

All participants were provided with facilitator's guide as a reference, technical guide to be used for the upcoming DAs training and planning book. In addition, each of them were given 22 STICKS a training aid/tool developed both in Amharic and Tigrigna to be used as educational material throughout the cascading training.



As part of the cascading training, AGP-AMDe realized that the technical guide that was developed for the DAs needs to be translated and finalize the translation of the guide into three major local languages and are ready for the upcoming DAs training.

Integrated the nutrition module with SMFM training:

AGP-AMDe is preparing brochures with nutrition messages targeted for farmers. The messages will emphasize basic nutrition, crop diversity/diet diversity, crop health/human health, relationship between crop growth/human growth, nutrition-agriculture relations, budgeting of income to buy nutritious foods for year-round, training on best agricultural practices (hence supplying food for household consumption), intercropping and the importance of a balanced diet. These nutrition messages will be coordinated with ENGINE, GRAD, LMD and appropriate ministries so that communities are hearing the same messages from different actors.



- Developed, printed and distributed nutrition STICKS for DAs to use during farmers training
- Translated the nutrition technical guide into three local languages to be used by DAs
- Completed regional level nutrition TOT training in each value chain from all AGP woredas
- TOT training participants in the second batch of Oromia region were 21 (15 females and 6 males), Amhara 25 (6 female and 19 male) and Tigray constituting 9 participants (4 female and 5 male). Total numbers of TOT participants during this quarter were 55 (46 % female).
- Organized and started providing woreda level TOT trainings for DAs in Amhara during the reporting period and conducted the trainings in two woredas namely Jabi-Tena (22 of which 3 female) and Durbete (20, 3 female) that will be continued in other woredas and the remaining regions during the following quarter.
- Nutrition module consisting of 1) Facilitators guide, 2) Technical Guide, 3) Planning Book and the 4) STICKs were distributed to the trainees. The nutrition technical module has been translated in to three major languages and started distribution to DAs during the training events.
- Field nutritionist positions for SNNPR and Amhara is filled and are on duty.
- Developed recipes on AGP-AMDe value chain components and the project is closely working with communications and BCC team to create an appropriate channel to reach the farmers in rural settings.

Analysis of Nutrition

Challenges and Opportunities

- Few woredas were not represented in the training due to other assignment given to them in the same period
- Suggested to train those not represented in the regional training to be trained during the woreda trainings along with the Development agents (DAs) training
- Some trainees were told late so that they couldn't have a chance to prepare themselves and be present on time
- Unable to train DAs as intended because they were busy by other commitments assigned by the government (national soil conservation campaign)
- The increased demand of DA trainees requested by woreda agriculture offices
- Budget and logistics constraint to carry out the DAs training as intended

Key Events Undertaken, January to March 2014

Date	Name of Event	Total # of participants (# of women)	Location (city, woreda, region/country)	Value Chain/Cross Cutting Area	Name(s) of AMDe Team Attending	Name of Partner Organizations
January 13-15, 2014	Regional Nutrition TOT	19 (14 females)	Ambo, Oromia	Nutrition	Tefera Azage Solomon Legesse	Ministry of Agriculture Regional Agriculture Bureau Woreda Agriculture Bureau
January 27-29, 2014	Regional Nutrition TOT	25 (6 females)	Bahir Dar, Amhara	Nutrition	Tefera Azage	Ministry of Agriculture Regional Agriculture Bureau Woreda Agriculture Bureau
February 3-5, 2014	Regional Nutrition TOT	17 (5 females)	Gondar, Amhara	Nutrition	Tefera Azage	Ministry of Agriculture Regional Agriculture Bureau Woreda Agriculture Bureau
March 24-25, 2014	Woreda Nutrition TOT	22 (3 females)	Jabi-tehnane - Amhara	Nutrition	Tefera Azage Haileysus Abate Solomon Tesema	Regional Agriculture Bureau Woreda Agriculture Bureau
March 27-28, 2014	Woreda Nutrition TOT	20 (3 females)	Dehub Achefer - Amhara	Nutrition	Tefera Azage Haileysus Abate Misganaw Tesfahun	Regional Agriculture Bureau Woreda Agriculture Bureau

Gender

Overview

Women in Ethiopia make up more than 45% of the agricultural labor force, yet represent less than 20% of members of agricultural cooperatives and have less access to productive resources and opportunities than men. Women also play a large role in livestock management and processing of animal products. They face different and more basic constraints than men, linked to issues such as access to water, access to credit and low demand for their salable products. Lack of land tenure often means women cannot offer collateral for loans, cannot join rural producer organizations, and thus, cannot take part in consequential decision making in the farming and livestock business. Those women wanting to be players at the higher end of the value chain face multiple obstacles related to start up, operations and finance. They also lack information and capacity.

AGP-AMDe is focused on targeted, strategic actions that are empowering women (individually and collectively) across the value chains and all components. This includes supporting and facilitating of mainstreaming effort to positively influence institutional policy, systems and practices. It also encompasses the development and launch of the Women's Agribusiness Leadership Network, which includes capacity building in entrepreneurship and leadership, supporting mentors – mentee relationships and linkages with regional and international women's networks.

In this quarter, AGP-AMDe initiated a two-year program on women's agribusiness leadership and mentorship network. The program will be implemented from 2014-2016. It is targeting female leaders located in Addis Ababa, Amhara, Oromia, Tigray and SNNPR working in maize, wheat, sesame, chickpea, coffee, honey or livestock value chains who own or manage business, associations, farmers' cooperative unions including production, processing, trading exporting, transport, agricultural finance or other services.

Summary of Key Results

- Women Agribusiness Leadership Network application form was translated into Amharic and information session were conducted for potential business women working in the target regions. As a result, 224 women applied for the program.
- Reviewed with the World Bank: the overall baseline survey; impact evaluation process; eligibility criteria; training location; scoring for randomization for WALN project. Agreed on the eligibility criteria and begin selecting the eligible applicants.
- The gender team, jointly with the BCC team, met with Regional Cooperative Promotion Agencies on the implementation of incentive –based women membership for FCUs. Fruitful discussions made on possible strategies to mobilize more women members in the FCUs.
- As per agreement with EWEA, contact information of their members working in coffee and honey export were added to our contact directory <http://ethioagp.org/directory/>.
- Celebrated International Women's Day at ACIDI/VOCA national office with the AMDe & Feed the Future II staff members.

Key Activities

Women Agribusiness Leadership Network application form was translated into Amharic and information session were conducted for potential business women working in the target regions. As a result, 224 women applied for the program. Reviewed with the World Bank: the overall baseline survey;

impact evaluation process; eligibility criteria; training location; scoring for randomization for WALN project. Agreed on the general eligibility criteria and begin selecting the eligible applicants.

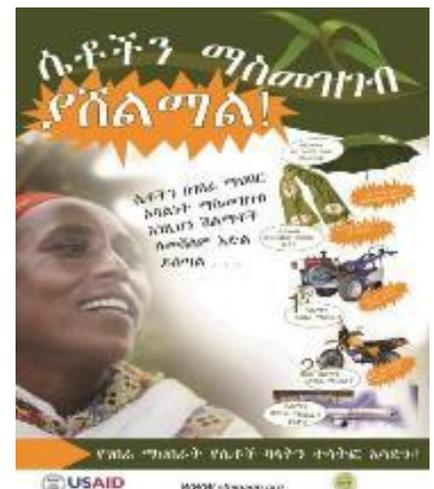
- Discussed with grant team about updates about women owned business grantees and linkages with WALN program
- Amharic & English WALN application forms disseminated
- Events to disseminate Information regarding WALN were organized in 12 locations
- Work plan for WALN developed.
- WALN Training modules, preparation in progress
- TOR for preparation of training modules for WALN developed and received Technical & financial proposals from consultants
- WALN application information encoded in roster and selection of eligible applicants underway
- Invitation & dissemination of WALN application form to different potential business women located in Addis Ababa

The gender team, jointly with the BCC team, met with Regional Cooperative Promotion Agencies on the implementation of incentive –based women membership for FCUs. Fruitful discussions made on possible strategies to mobilize more women in the FCUs. Discussed and agreed with the SNNP regional FCUs focal person, on the implementation and rollout plan of incentive –based women membership drive for FCUs took place.

Behaviour Change Campaigns

In this quarter, the BCC team with input from VC leads and crosscutting teams developed products and materials for BCC campaigns focusing on Gender and Inputs. Campaign planning and development involved substantial coordination with coordination with both the Regional and Federal Cooperation Promotion Agencies (R/FCPAs) to ensure message coordination and government ownership.

Behavior Change Communications Gender - In the past quarter, the total number of leaflets and with women’s testimonials and messages for women, men, and group leaders reached 4,491 while the total number of posters distributed to farmers, cooperative and union management members, and regional government officials reached 2,387. These products were distributed during general assembly meetings, trainings, and various events organized by unions in all four regions. In addition to the BCC campaign promoting the benefits of increased women’s active participation, significant progress was made on a complimentary incentive-based campaign designed to increase the number of women members in FCUs by 30% (AGP target). The BCC team selected incentives for the membership drive for new women members as well as rewards for high-achieving PCs and the top achieving FCU. A membership drive with milestones was completed this quarter and the BCC team also finalized the poster targeting smallholder farmers that promote the contest as well as promotion details created for FCUs & PCs to secure their support for the campaign. Additionally, a letter for FCUs to distribute to PCs has been drafted and approved in coordination with the (F/RCPAs). FCUs will effectively “kick off” the drive by issuing the letter.



Inputs – - The AMDe BCC team and key technical staff have been working closely to plan and launch an inputs campaign that promotes awareness and demand for improved seed and fertilizer, with a focus on the new semi-blended and blended fertilizers. The promotion of these new fertilizers build on the government’s plans to develop fertilizer production facilities where blending can take place. This quarter, materials were developed to promote the uptake of existing inputs and more importantly the new inputs, such as the blended fertilizer.



Fertilizer Pocket Guide- 6,000 Amhara, 6,000 Oromiya and 1,500 in Tigray

The BCC team completed a multichannel campaign plan that includes fertilizer pocket guides, expert panel radio call-in shows, posters targeting four key value chain farmers with input messages, and leaflets that promote use of quality inputs to increase yield. The team has also aggregated data from Sell More Trainings into a database of some 25,000 farmers from which cell phone numbers have been collected. An SMS bulk message encouraging farmers to find out more about fertilizer and quality inputs will be sent to numbers from the database. The BCC team is currently working directly with communications teams from the Ministry of Agriculture and ATA to finalize messaging and ensure government-approved messaging/guidance is on all products. Materials will be disseminated through regional BCC dissemination teams as follows:



- Fertilizer Pocket Guide- 8,000 Amhara, 8,000 Oromia and 4,000 in Tigray
- Input promotion posters for Maize, Wheat, Sesame, Chickpea- 2000 in Amhara, 2000 in Oromia, 1500 in Tigray,
- Input promotion fliers for Maize, Wheat, Sesame, Chickpea- 8,000 in Amhara, 8000 in Oromia, 3,000 in Tigray.



ICT/Knowledge Portal

Knowledge Portal - This quarter has been an especially busy time for the continued development and enhancement of the AGP portal. Significant progress was achieved with stakeholder buy-in, finalization of the content strategy, enhancement of the functionality and content strategy. The AGP portal working group finalized the web site architecture, tabs and content strategy and dynamic content template with each partner making commitments regarding development of content. The portal has also continued to increase functionality through the addition of a contacts database and an initial linkage to ECX market price information through an API. Finally, the knowledge portal team was also able to design and develop the promotional site for Gulfood with brief content for sliding banner and products section developed, in collaboration with LMD. Live at <http://ethioagp.org/ethiopiasfinest/>.

ICT Innovations - In this quarter, the ICT innovation team continued working with the Ministry of Agriculture to finalize the specifications and procurement of ICT equipment necessary for the eventual transfer of the AGP portal to MoA ownership. The final vendor was selected with expected delivery and installation next quarter. Additionally, progress was made on developing the specifications for an enhanced market information system in collaboration with the Ministry of Trade and Ethiopian Commodity Exchange.



Annexes (Separate Volumes)

Annex 1. Indicator Performance Tracking Table

Annex 2. Key Upcoming Events for April – June 2014

Annex 3. AGP-AMDe Inputs Intervention and Partners by Region

Annex 4. AGP-AMDe Business Development Services Results To Date

Annex 5. Trip reports (six reports)

Trip report – Vanessa Adams, Women’ Agribusiness Leaders Network (WALN)

Trip report – John Mellor, Regular program of holding intensive interaction with project team

Trip report – Jon Walden, Export Symposium

Trip report – Willem Boot, AFCA conference Participation and Export Promotion Follow up

Trip report – David Roche, Executive Visit and Strategy Development

Trip report – Ahadu Woubshet and other Delegation, National Coffee Association (NCA) 2014 Convention

Trip report – Mesfin Terefe, Dubai Gulf Food Show Exhibition

Annex 6. Cereals growth rates 1995-2012, Ethiopia how fast, how achieved, how to continue, what impact?

Annex 7. Ethiopian Seed Trade Association Proposal for Amending Draft Seed Regulation

Annex 8. AGP-AMDe Investments

Annex 9. Gulfood Materials

- Booth Pictures
- Gulfood eBlast/Flyer
- Gulfoods/webpages on www.ethioagp.org/ethiopiasfinest
- B2B Breakfast
- Receptions

Annex 10. BCC - Input marketing and Gender Promotion materials

Annex 11. International Coffee Organization Video

Annex 12. Improved transport & logistics for Ethiopia’s fertilizer imports

Annex 13. Community Receipt System Pilot Report

Annex 14. BCC Gender & Input Campaigns Presentation