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Agricultural Growth Program-Livestock Market Development

Expanding Livestock Markets for Small-holder Producers

ANNUAL REPORT

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I. ACRONYMS

AAUAO	Addis Ababa Urban Agriculture Development Office
AGP	Agricultural Growth Program
AI	Artificial Insemination
AISD	Agricultural Investment Support Directorate
AKLDP	Agricultural Knowledge Learning and Development Project
AMDe	Agribusiness and Market Development Project
APHRD	Animal and Plant Health Regulatory Directorate
ARIS	Animal Resource Information System
A&T	Alive and Thrive
ATA	Agriculture Transformation Agency
ATEP	Agribusiness and Trade Expansion Project
AU-IBAR	African Union – Inter-African Bureau for Agricultural Research
BCC	Behavioral Change Community
BEE	Business Enabling Environment
BoA	Bureau of Agriculture
BOAM	Business Organizations and their Access to Markets
BoH	Bureau of Health
BSP	Business Service Provider
BSS	Behavioural Surveillance Survey
CAADP	Comprehensive Africa Agriculture Development Program
CASCADE	Capacity Building for Scaling Up Of Evidence Based Best Practices in Agricultural Production in Ethiopia Project
CAHW	Community Animal Health Worker
CBA	Cost-Benefit Analysis
CBO	Community Based Organization
CG	Care Group
CIAFS	Capacity to Improve Agriculture and Food Security
CIDA	Canadian International Development Agency
CIG	Community Interest Groups
CoP	Chief of Party
COR	Contracting Officer Representative
DA	Development Agent
DCoP	Deputy Chief of Party
DDE	Dairy Development Enterprise
DFID	Department for International Development
EAFIA	Ethiopian Animal Feed Industry Association
EDCBA	Ethiopian Dairy Cattle Breeders Association
EDDP	Ethiopian Dairy Development Project
EDGET	Enhancing Dairy Sector Growth in Ethiopia Project
EHSSA	Ethiopian Hide and Skin suppliers Association
EKN	Embassy of the Kingdom of the Netherlands
ELIA	Ethiopian Leather Industry Association
ELTA	Ethiopian Livestock Traders Association
EMA	End-Market Analysis
EMDTI	Ethiopian Meat and Dairy Technology Institute
EMMP	Environmental Mitigation and Monitoring Plan
EMPEA	Ethiopian Meat Producer and Exporters Association
EMPPA	Ethiopian Milk Producers and Processors Association
ENGINE	Empowering the New Generations to Improve Nutrition and Economic Opportunity
ERR	Environmental Review Report

ESGPIP	Ethiopian Sheep and Goat Productivity Improvement Program
EVA	Ethiopian Veterinary Association
FAOSTAT	United Nations Food and Agriculture Organization Statistics Database
FBO	Farmer-Based Organization
FDI	Foreign Direct Investment
FEED	Feed Enhancement for Ethiopian Development
FMD	Foot and Mouth Disease
FTE	Full-Time Equivalent
FtF	Feed the Future
GAAIHDP	Grand Addis Ababa Integrated Housing Development Program
GCC	Global Climate Change
GFDRE	Government of the Federal Democratic Republic of Ethiopia
GoE	Government of the Federal Democratic Republic of Ethiopia
GRAD	Graduate Resilience to Achieve Sustainable Development
GTP	Growth and Transformation Plan
HABP	Household Asset Building Program
HACCP	Hazards Analysis and Critical Control Points
HAD	Health Development Army
HDTL	Health Development Team Leaders
HS	Hides and Skins
ICT	Information and Communication Technologies
IEC	Information, Education and Communication
IICD	International Institute for Communication and Development
IIE	Institute for International Education
IIPP	Investment and Innovation Partnership Program
ILRI	International Livestock Research Institute
IMC	International Medical Corps
IR	Intermediate Result
IP	Implementing Partner
IYCF	Infant and Young Child Feeding
JAA	J.E. Austin and Associates
KAP	Knowledge, Attitude and Practice
LAND	Land Administration to Nurture Development
LIFT	Livelihood and Food Security Technical Assistance
LIDI	Leather Industry Development Institute
LIVES	Livestock and Irrigation Value Chains for Ethiopian Smallholders
LMD	Livestock Market Development Project
LMIS	Livestock Market Information System
LoP	Lifetime of Project
MFI	Micro-Finance Institution
MIS	Market Information System
MLA	Meat and Live Animals
MoA	Ministry of Agriculture
MoH	Ministry of Health
MoI	Ministry of Industry
MoT	Ministry of Trade
MSME	Micro and Small Enterprise
MSP	Multi-Stakeholder Platform
NAHDIC	National Animal Health Diagnostic and Investigative Center
NEP+	Networks of HIV Positives in Ethiopia
NGO	Non-Governmental Organization
NLDP	National Livestock Development Program

NTWG	Nutrition Technical Working Group
ORDA	Organization for Rehabilitation and Development in Amhara
OVC	Orphans and Vulnerable Children
PEPE	Private Enterprise Program Ethiopia
PEPFAR	The U.S. President's Emergency Plan for AIDS Relief
PERSUAP	Pesticides Evaluation Report and Safer Use Action Plan
PLHIV	People Living with the Human Immunodeficiency Virus (HIV)
PMP	Performance Management Plan
PPR	Performance Progress Report
PRIME	Pastoralist areas Resilience Improvement through Market Expansion
PSDTF	Private Sector Development Task Force
PSNP	Productive Safety Net Program
RED&FS	Rural Economic Development and Food Security
REST	Relief Society of Tigray
RVF	Rift Valley Fever
SBC	Social Behavioral Change
SNNPR	Southern Nations, Nationalities, and Peoples' Region
SNV	The Netherlands Development Organization
SOW	Scope of Work
SPS	Sanitary and Phyto-Sanitary Standards
SPS-LMM	Sanitary and Phyto-Sanitary Standards and Livestock and Meat Marketing
TAD	Transboundary Animal Disease
TC	Technical Committee
TIP	Trials of Improved Practices
TLU	Tropical Livestock Unit
TOR	Terms of Reference
ToT	Training of Trainers
UAE	United Arab Emirates
UHT	Ultra-High Temperature
USAID	United States Agency for International Development
USD	United States Dollar
USG	United States Government
VAT	Value Added Tax
VC	Value Chain
VCA	Value Chain Analysis
WWS	World Wide Sires
UN COMTRADE	United Nations Commodity Trade Statistics Database

II. EXECUTIVE SUMMARY

This report describes AGP-LMD's second year of operation (July 1, 2013, June 30, 2014) during which the project engaged in more in-depth implementation of activities, strengthened its catalytic and innovative support to the private sector, built strong and productive engagement with government institutions for policy reform. Over the past year, AGP-LMD has made considerable progress and achieved key results as follows:

- By the end of second year, AGP-LMD has facilitated exports valued at 13,113,983 USD, which exceeds the annual target. The project has facilitated sales through participation in international and local trade fairs that have paved the way for numerous business deals.
- The substantial increase in sales, noted above, is driven by more than \$2 million in new private sector investment that has been attracted to the targeted dairy and meat and live animal value chains through AGP-LMD efforts in Year 2.
- Over the past two years, 7,507 individuals have received USG supported short-term agricultural sector productivity training compared to a life of project goal of 76,976.
- AGP-LMD has facilitated access to finance for 27 small and medium enterprises value at 2,022,794 USD compared to a life of project goal of 24,265,830 USD.
- AGP-LMD issued two RFAs to solicit grant applications within the 5.5 mil USD Innovative Grant Fund. The RFAs were open to private firms, entrepreneurs, cooperatives and associations focused on improving the productivity, competitiveness, and profitability within the target livestock value chains. From the 78 applications received for RFA#1, AGP-LMD has entered into grant agreements, or is in the process of entering into grant agreements, with 21 applicants. AGP-LMD has also pre-selected 52 applicants from the 155 proposals it received in response to RFA#2. Six grant agreements began active implementation during the reporting year, and are working to improve farmers' access to feed, develop private artificial insemination services, expand farmers' access to milk and livestock markets, develop mobile banking services for livestock producers, and introduce independent milk testing services.

During Year 2, AGP-LMD had success working on a number of policy issues at the regional and federal level. The key policy issues included institutional transformation supporting the livestock sector with Ministry of Agriculture and Industry; access to land for livestock investment in AGP-LMD areas; and removal or reduction of value added tax (VAT) on livestock production inputs and products (feed and dairy products).

With regard to improving the enabling environment for the value chains, AGP-LMD had been working closely with the Ministry of Agriculture in drafting two important proclamations, including:

- A proclamation for the Regulation of Animal Health, Welfare and Veterinary Public Health. This draft proclamation encompasses prevention and control of livestock diseases, import and export regulation, safety of primary livestock products, animal identification and traceability, regulation of laboratory services and animal welfare.
- A proclamation for the establishment of the Veterinary Council of Ethiopia and to regulate the veterinary and para professionals. This proclamation is very vital to the rationalization and privatization of veterinary services. The veterinary council will be a statutory body that controls the quality of the profession and its services.

In addition to assistance drafting proclamations, AGP-LMD has completed a critical Analysis on the Live Animals Trade Proclamation, providing recommendations to the Ministry of Trade regarding gaps and suggested improvements in the proclamation related to guidelines and procedures. AGP-LMD has also completed a scoping study on the pilot implementation of a Livestock Identification and Traceability System (LITS) and preparations are now underway to commence the actual implementation.

AGP-LMD has completed two studies on public-private-partnership in two areas: (i) management of livestock markets, quarantine stations, municipal slaughterhouses;(ii) dedicated live animal transport services. The studies will be rolled out for stakeholder consultation and subsequent implementation.

With regard to nutrition and HIV/AIDS wraparound activities, AGP-LMD accomplished the following during the reporting period:

- The IYCF-KAP, barrier analysis, and preservation and storagebaseline surveys were conducted at the end of December 2013, after many delays. The field data collection began on December 21, 2013 and was completed on January 18, 2014. Report writing and result produced and used for strategy development as an input.
- AGP-LMD conducted a dietary diversity campaign in 10 deep target woredas. The aim was to increase caretakers' awareness about the preparation of nutrient-rich foods (especially animal products) through the transmission of messages and cooking demonstrations. The campaign successfully reached 1277 people (1178 female and 99 male).

Based on the findings of the survey and identified gaps, AGP-LMD developed a draft SBC strategy. The strategy outlines the focus of AGP-LMD's nutrition Social and Behavior Change Communication (SBCC) implementation modality, strategic direction and key activities for bringing the desired behavioral change towards nutrition at the household level. After the SBC strategy was developed, AGP-LMD held a five-day training on the care group approachfor implementing partners and woreda health nutrition focal persons from the 10 deep focus woredas. The training took place from March 28 to April 2, 2014. A total of 13 participants attended the training (11 male and 2 female). After the training, trainees returned to their woredas to organize and form care groups in target kebeles.

AGP-LMD has also conducted an HIV/AIDS and economic strengthening baseline assessmentwhose main purpose is to ascertain the baseline economic status of PLHIV targets and identify the main intervention areas, including key opportunities for livestock value chain development. The assessment was done by a local short-term technical assistant (STTA), with technical support from the HIV/AIDS team from the TOR development of the study to the final report submission. The assessment covered all 10 deep focus woredas of the four regions. AGP-LMD also carried out sensitization workshops at the Woreda level.

Overall, the second year of AGP-LMD implementation was a fulfilling and encouraging period. Most of the activities that were planned in the three IRs and related components have been achieved. As USAID's flagship project for livestock sector, AGP-LMD has strengthen its role as being transformative, catalytic and facilitative.

III. PROGRAM OVERVIEW

USAID-Ethiopia's Agricultural Growth Program-Livestock Market Development AGP-LMD) is a five year project implemented as part of the U.S. Government's Feed the Future (FTF) Initiative. This investment, in concert with the crop value chain program (AGP-AMDe), serves as part of USAID's contribution to the Government of Ethiopia's Agricultural Growth Program (AGP). The AGP's goal "to end poverty and enhance growth" aligns with FTF's goal to "sustainably reduce poverty and

hunger.” The Project aims to foster growth and reduce poverty through improving the productivity and competitiveness of selected livestock value chains: meat/live animals, dairy, and hides/skins. Project interventions are implemented in AGP targeted woredas of Tigray, Amhara, Oromia and SNNPR. In implementing interventions, the Project uses and builds upon local organizations’ experience and extensive professional and social networks throughout the four regions.

AGP-LMD is a **transformative initiative and a catalytic intervention** that supports the livestock sector in moving from infancy to maturity and sustainable competitiveness. By the end of the program, the value chains will have made significant progress in becoming stable and self-sustaining, with further scaling-up of business innovations by processors generating continued growth, actors effectively interacting with government through value chain and sector associations in a conducive regulatory framework, and businesses having access to professional financial and business service providers.

AGP-LMD’s strategy is centered on facilitating the development of **value chain drivers** – critical value adding/marketing enterprises (lead firms) that understand the market’s needs and preferences and **translate these targets into price incentives and improved supply chain services and linkages**. These market-linked enterprises serve as the link to smallholder livestock producers’ participation in the agricultural economy and **pull through demand**, which results in expanded rural incomes, and ensures inclusive and commercially sustainable economic growth.

AGP-LMD employs a “**light touch**” approach by supporting local partners to lead interventions through existing cooperatives, associations, government agencies, and private firms to spur the growth of “productive Ethiopia”. The light touch **ensures sustainability** of AGP-LMD successes. In addition to using local Ethiopian organizations and building their capacities, this approach is based on the extensive use of local consultancy firms to provide viable commercial services to value chain actors, particularly ones playing a major role in the demand segment of the value chains (processors, traders, retailers).

Using this approach, **AGP-LMD plays a facilitating role**, helping local firms develop commercial relationships with meat/live animal, dairy, and HSL stakeholders. At the producer level, this means working to build effective horizontal organizations that are sustainable, while providing new and needed services to smallholders. The light touch also means that the focus on **capacity-building of local enterprises, associations, and service providers** will be combined with the simultaneous building of the capacity of GOE entities such as the Ethiopian Meat and Dairy Industries Development Institute, and the Ministry of Agriculture’s livestock extension support system as well as the Live Animals Trade Directorate in Ministry of Trade.

AGP-LMD applies a holistic value chain development approach, which is reflected by the three Intermediate result areas and five project components:

- IR1: Increase productivity and competitiveness of selected livestock value chains
 - o Component 1: Moving from analytics to strategy to learning
 - o Component 2: Improve the productivity and competitiveness of livestock value chains
 - o Component 3: Spur investment and innovation
- IR2: Improve the enabling environment for livestock value chains
 - o Component 4: Improve the enabling environment of livestock value chains
- IR3: Improve quality and diversity of household diet through intake of livestock products
 - o Component 5: Enhance the nutritional status of rural households.

Integrated into these components are the cross-cutting objectives of engaging people living with HIV/AIDS, gender equity, promotion of ICT solutions, environmental mitigation and natural resource management.

IV. PERFORMANCE DATA TABLE

The following table presents a comprehensive table demonstrating progress made toward achieving Monitoring and Evaluation indicator targets.

FTF indicator number	No.	Performance Indicator	Unit of Measurement	Disaggregation	Year 1 (2013)		Year 2 (July 2013-June 2014)				
					Target (2013)	Actual (2013)	Target (2014)	Actual (July 2013-June 2014)			
2. Component Two: Improve the productivity and competitiveness of livestock value chains											
4.5.2(23)	1.2.1	Value of incremental sales (collected at the farm level) attributed to project implementation		Total baseline sales	Total baseline sales				0		
					USD	Total reporting year sales	148,403	774,915	2,233,488	0	
					MT	Total Volume of sales (MT)	465	506	1,374	0	
					Number	Total Number of direct beneficiaries		17,626		0	
					Cattle (live)	Cattle (live)				0	
						Baseline sales				0	
						USD	Reporting year sales		760,160	1,612,988	2000
						MT	Volume of sales (mt)		500	1,061	0
					Number	Number of direct beneficiaries		15,762		0	
					Goats (live)	Goat (live)				0	
						Baseline sales				0	
						USD	Reporting year sales			48,150	1300
						MT	Volume of sales (mt)			32	0
					Number	Number of direct beneficiaries				0	
					Milk	Milk				0	
						Baseline sales				0	
						USD	Reporting year sales	148,403	13,255	460,000	4200
						MT	Volume of sales (mt)	465	5	174	0
					Number	Number of direct beneficiaries		1,677		0	
					Sheep (live)	Sheep (live)				0	
						Baseline sales				0	
USD	Reporting year sales		1,500	112,350		0					
MT	Volume of sales (mt)		1	107		0					
Number	Number of direct beneficiaries		187		0						
4.5(2)	1.2.2	Number of jobs attributed to project implementation	Number	Location	Location total	300	0	640	74		
					Urban	210		448	74		
					Rural	90		192	0		
				New/continuing	New/continuing total	300	29	640	74		
					New	300	29	500	74		
					Continuing	0	0	140	0		
				Sex of job-holder	Sex of job-holder total	510	29	640	74		
					Male	300	22	448	63		
					Female	210	7	192	11		

FTF indicator number	No.	Performance Indicator	Unit of Measurement	Disaggregation	Year 1 (2013)		Year 2 (July 2013-June 2014)		
					Target (2013)	Actual (2013)	Target (2014)	Actual (July 2013-June 2014)	
2. Component Two: Improve the productivity and competitiveness of livestock value chains									
4.5.2(5)	1.2.4	Number of farmers and others who have applied new technologies or management practices as a result of USG assistance(4.5.2(5))	Number	New/continuing	New/continuing total	2,023	249	7,102	0
					<i>New</i>	2,023	249	6,902	0
					<i>Continuing</i>	0		200	0
				Sex of job-holder	Sex (total)	2,023	249	7,102	0
					<i>Male</i>	1,416	174	4,971	0
					<i>Female</i>	607	75	2,131	0
4.5.2(7)	1.2.5	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training(4.5.2(7))	Number	Type of individual	Type of individual (total)	3,796	858	9,859	6649
					<i>Producer</i>	3,037	70	7,888	4293
					<i>People in government</i>	190	226	493	1744
					<i>People in private sector firms</i>	493	556	1,281	564
					<i>People in civil society</i>	76	6	197	48
				Sex	Sex (total)	3,796	858	9,859	6649
					<i>Male</i>	2,657	511	6,901	5122
					<i>Female</i>	1,139	347	2,958	1527
4.5.2(11)	1.2.6	Number of food security private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance(4.5.2(11))	Number	Type of organization	Type of organization (total)	44	408	450	91
					<i>Private Enterprises (For Profit)</i>	20	303	313	51
					<i>Producer Organizations</i>	10	67	70	0
					<i>Women's group</i>	4	0	15	0
					<i>Trade and Business Associations</i>	6	1	7	10
					<i>Community based associations (CBOs)</i>	4	1	5	30
					<i>No disaggregation</i>	0	36	40	0
				New/continuing	New/continuing (total)	44	408	450	91
					<i>New</i>	44	408	79	41
					<i>Continuing</i>			371	50

FTF indicator number	No.	Performance Indicator	Unit of Measurement	Disaggregation	Year 1 (2013)		Year 2 (July 2013-June 2014)	
					Target (2013)	Actual (2013)	Target (2014)	Actual (July 2013-June 2014)
2.	Component	Two: Improve the productivity and competitiveness of livestock value chains						0
4.5.2(36)	1.2.7	Value of exports of targeted agricultural commodities as a result of USG assistance (for bilateral missions)(4.5.2(36))	USD	Total Value of export (in USD)	871,800	1,330,000	7,260,000	38,400,000
			MT	Total Volume of Export (MT)	304	611	3187.2	0
				Cattle (Beef) total	-	-	500,000	0
				Regional	0	0	50000	0
			USD	Value of exports (in USD)			50,000	0
			MT	Volume of exports (MT)			18	0
				Outside of region	0	0	450000	0
			USD	Value of exports (in USD)			450,000	0
			MT	Volume of exports (MT)			161	0
				Disaggregates Not Available	0	0	0	0
			USD	Value of exports (in USD)				0
			MT	Volume of exports (MT)				0
				Cattle (live)	-	1,330,000	4,500,000	26,800,000
				Regional	0	1,330,000	450,000	0
			USD	Value of exports (in USD)		1,330,000	450,000	0
			MT	Volume of exports (MT)		611	207	0
				Outside of region	0	0	4050000	0
			USD	Value of exports (in USD)			4,050,000	0
			MT	Volume of exports (MT)			1,861	0
				Disaggregates Not Available	0	0	0	0
			USD	Value of exports (in USD)				0
			MT	Volume of exports (MT)				0
				Goat (meat)	-	-	560,000	0
				Regional	0	0	200,000	0
			USD	Value of exports (in USD)			200,000	0
			MT	Volume of exports (MT)			43	0
				Outside of region	0	0	360000	0
			USD	Value of exports (in USD)			360,000	0
			MT	Volume of exports (MT)			389	0
				Disaggregates Not Available	0	0	0	0
			USD	Value of exports (in USD)				0
			MT	Volume of exports (MT)				0
				Goat (live)	644,800	-	480,000	11,600,000
				Regional	64800	0	48000	0
			USD	Value of exports (in USD)	64,800		48,000	0
			MT	Volume of exports (MT)	14		32	0
				Outside of region	580000	0	432000	0
			USD	Value of exports (in USD)	580,000		432,000	0
			MT	Volume of exports (MT)	125		288	0
				Disaggregates Not Available	0	0	0	0
			USD	Value of exports (in USD)				0
			MT	Volume of exports (MT)				0
				Sheep (lamb/mutton)	227,000	-	500,000	0
				Regional	22000	0	50000	0
			USD	Value of exports (in USD)	22,000		50,000	0
			MT	Volume of exports (MT)	15		11	0
				Outside of region	205000	0	450000	0
			USD	Value of exports (in USD)	205,000		450,000	0
			MT	Volume of exports (MT)	150		97.2	0
				Disaggregates Not Available	0	0	0	0
USD	Value of exports (in USD)				0			
MT	Volume of exports (MT)				0			
	Sheep (live)	-	-	720,000	0			
	Regional	0	0	72,000	0			
USD	Value of exports (in USD)			72,000	0			
MT	Volume of exports (MT)			48	0			
	Outside of region	0	0	648000	0			
USD	Value of exports (in USD)			648,000	0			
MT	Volume of exports (MT)			32	0			
	Disaggregates Not Available	0	0	0	0			
USD	Value of exports (in USD)				0			
MT	Volume of exports (MT)				0			

FTF indicator number	No.	Performance Indicator	Unit of Measurement	Disaggregation	Year 1 (2013)		Year 2 (July 2013-June 2014)		
					Target (2013)	Actual (2013)	Target (2014)	Actual (July 2013-June 2014)	
2. Component Two: Improve the productivity and competitiveness of livestock value chains									
CUSTOM 4.5.2-17 (PPR)	1.2.8	Percent change in value of international exports of targeted agricultural commodities as a result of US assistance	%	MLA			5%	0	
4.6.2-9 (PPR)	1.2.9	Number of private sector firms that have improved management practices as a result of USG assistance	Number	Value chain (total)			123	0	
				MLA			63	0	
				Dairy			60	0	
GNDR-2 (PPR)	1.2.10	GNDR-2 Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)	Number	Value Chain	MLA	Male			0
						Female			0
						%		25%	0
			Number	Dairy	Male			0	
					Female			0	
					%		35%	0	
1.2.12	Percentage increase of sales of processors, exporters, cooperatives, service providers, input providers as a result of the Project assistance.	%	Value chain (total)			7%	0		
			MLA			7%	0		
			Dairy			7%	0		
1.2.12	Livestock and livestock product sales by assisted Farmers Based Organizations (FBOs), cooperatives, and micro processors	USD	MLA			210,571	0		
			Dairy			2,000,000	0		
			Total			2,210,571	0		

FTF indicator number	No.	Performance Indicator	Unit of Measurement	Disaggregation	Year 1 (2013)		Year 2 (July 2013-June 2014)		
					Target (2013)	Actual (2013)	Target (2014)	Actual (July 2013-June 2014)	
2. Component Two: Improve the productivity and competitiveness of livestock value chains								0	
1.2.13	Percentage change in the processing capacity of firms/organizations that engaged in livestock related manufacturing and services as a result of the Project assistance	%	Value chain (total)				7%	0	
			MLA				7%	0	
			Dairy				7%	0	
1.2.14	Number of supply contractual agreement signed by firms /organizations along the value chain as a result of the Project assistance.	Number	MLA				42	2	
			Dairy				40	5	
			Total				82	7	
1.2.15	Number of firms /organizations receiving project assistance that have obtained certification with (an) international quality control institution(s) in meeting minimum product standards.	Number	MLA				2	0	
			Dairy				1	0	
			Total				3	0	
1.2.16	Number of vulnerable households linked to market as a result of the project assistance.	Number	Types of People	PSNP Graduates	Total			120	0
					Male			84	0
					Female			36	0
				PRIME beneficiaries	Total			280	0
					Male			196	0
					Female			84	0
				PLWHA	Total			1000	0
					Male			400	0
					Female			600	0
Total	Total			1400	1610				
	Male			680	0				
	Female			720	0				

FTF indicator number	No.	Performance Indicator	Unit of Measurement	Disaggregation	Year 1 (2013)		Year 2 (July 2013-June 2014)					
					Target (2013)	Actual (2013)	Target (2014)	Actual (July 2013-June 2014)				
2. Component Two: Improve the productivity and competitiveness of livestock value chains								0				
	1.2.17	Percentage reduction of occurrences of parasitic and contagious livestock disease in 10 Woredas that are targeted for deep intervention.	%	Animal Type	Total				0			
					Cattle			3%	0			
					Sheep			4%	0			
					Goat			4%	0			
	1.2.18	Number of farmers' organizations/sector organization newly established or strengthened as a result of the Project assistance	Number	Value Chain	MLA			60	0			
					Dairy			58	0			
					Total			118	0			
3. Component Three: Spur Investment and Innovations								0				
4.5.2(38)	1.3.1	Value of new private investment in the livestock sector or food chain leveraged by the Project implementation(4.5.2(38))	USD	Value Chain	Value chain (total)	1,500,000	58,500,000	2,500,000	2,022,794			
					MLA				0			
					Dairy				0			
4.5.2(30)	1.3.2	Number of MSMEs receiving USG assistance to access loan(4.5.2(30))	Number	Size of MSME	Size of MSME (total)	56	11	82	12			
					Micro	22	0	32	1			
					Small	22	5	32	1			
					Medium	12	6	18	0			
				Disagregates Not Available								10
				Sex of owner	Sex of owner (total)	56	11	82	0			
					Male	39	7	57	0			
					Female	17	3	25	0			
Joint		1			0							
4.5.2(29)	1.3.3	Value of agricultural and rural loans	USD	Type of loan recipient	Type of loan recipient (total)	178,200	5,014,217	1,750,000	1,669,828			
					<i>Producers</i>	44,550		437,500	-			
					Local traders/assemblers	26,730		262,500	-			
					Wholesalers/processors	106,920	5,014,217	1,050,000	333,333			
				<i>Others</i>								1,256,495
				Disagregates Not Available								80,000
				Sex of recipient	Sex of recipient (total)	178,200	5,014,217	1,750,000	-			
					<i>Male</i>	124,740	5,000,000	1,225,000				
Female	53,460	14,217	525,000									
Joint					-							

FTF indicator number	No.	Performance Indicator	Unit of Measurement	Disaggregation	Year 1 (2013)		Year 2 (July 2013-June 2014)		
					Target (2013)	Actual (2013)	Target (2014)	Actual (July 2013-June 2014)	
4. Component Four: Improve the enabling environment of livestock value chains								0	
4.5.1(24)	2.4.1	Number of livestock related Policies, Regulations, and Administrative Procedures in development, passed, or being implemented as a result of the Project assistance	Number	Sector	Sector	3	4	6	6
					Input				0
					Output				0
					Macroeconomic				0
					Agriculture sector wide	3	4	6	6
					Research, extension, information, and other public services				0
					Food security/vulnerable				0
					Climate change adaptation or natural resource management				0
				Stages of development	Stages of development	3	4	6	6
					Stage 1 of 5: Number of policies / regulations / administrative procedures analyzed	1	2	3	3
					Stage 2 of 5: Number of policies / regulations / administrative procedures drafted and presented for public/stakeholder consultation			1	1
					Stage 3 of 5: Number of policies / regulations / administrative procedures presented for legislation/decree	2	2		0
Stage 4 of 5: Number of policies / regulations / administrative procedures prepared with USG assistance passed/approved			2		2				
Stage 5 of 5: Number of policies / regulations / administrative procedures passed for which implementation has begun				0					
	2.4.2	Number of public-private dialogue mechanisms utilized as a result of USG assistance COSTOM 4.6.2-6 (PPR)	Number						
								11	

FTF indicator number	No.	Performance Indicator	Unit of Measurement	Disaggregation	Year 1 (2013)		Year 2 (July 2013-June 2014)		
					Target (2013)	Actual (2013)	Target (2014)	Actual (July 2013-June 2014)	
[Intermediate Result 3]: Improve quality and diversity of household diet through intake of livestock products									
Component Five: Enhance the nutritional status of rural households									
3.1.9(15)	3.5.1	Number of children under five reached by Project-supported nutrition programs	Number	Male	620	670	3,743	1053	
				Female	620	670	3,743	1054	
				Total	1240	1340	7,486	2107	
3.1.9(1)	3.5.2	Number of people trained in child health and nutrition through Project-supported programs	Number	Male	700	33	2,936	1277	
				Female	300	10	1,258	99	
				Total	1000	43	4,194	1178	
Crosscutting:									
4.4.1		% increase of the number of women in leadership positions in assisted farmers' based organizations	%	Value chain	Value chain (total)			5%	0
					MLA				0
					Dairy				0
4.4.2		Number of assisted firms/organizations adopted environment as a cross-cutting issues as the result of the Project assistance	Number	Value chain	Value chain (total)			25	0
					MLA				0
					Dairy				0

V. PROGRAM COMPONENTS

There are five program components that comprise AGP-LMD. Components 1 through 3 contribute to *IR1: Increase productivity and competitiveness of selected livestock value chains*. Component 4 contributes to *IR2: Improve the enabling environment for livestock value chains*, while Component 5 contributes to *IR3: Improve quality and diversity of household diet through intake of livestock products*. The achievements and work plan implementation of each of these components are detailed in the coming section.

COMPONENT 1: MOVING FROM ANALYTICS TO STRATEGY TO LEARNING

Component 1, moving from analytics to strategy to learning, transitioned during the first year from the analysis to strategy phase towards the strategy implementation and learning. The final analysis and assessments were undertaken during the first year work plan implementation:

- The Business Enabling Environment analysis was finalized, defining LMD's focus on the main policy and other enabling environment issues (research, privatization of service provision, institutional development),
- The public sector capacity gap analysis was finalized, identifying key intervention areas for LMD in the realm of strengthening the public sector capacity,
- The PLWHA assessments were undertaken after delays due to the discussions with the Regional Bureaus of Health to assure the approvals and the recruitment process of qualified staff due to the departure of the PLWHA expert in December. The assessments were instrumental in defining the PLWHA strategy and interventions for the coming three years. The implementation of PLWHA activities has already begun.
- Four out of the five nutrition assessments—the Infant and Young Child Feeding (IYCF) Assessment, Knowledge Attitude Practice (KAP) Assessment, barrier analysis, and household level livestock product (dairy and meat) preservation and storage assessments—were undertaken after time taking discussions with the regional Bureau of Health about potential MoUs for specifically the Anthropometric Assessment. After further discussions and reflections, the Anthropometric Assessment is no longer required, as LMD will not measure stunting rate impacts as a result of their nutrition activities. Stunting rates, according to USAID insights, depend on much more than nutritional Social Behavioral Change Communication focused on the consumption of livestock based products alone can determine. Rather, stunting rates are influenced by multiple factors and interventions. Building upon the results of the four nutrition assessments, the nutrition strategy was developed and implementation of nutrition activities began.

Two consortium meetings were held during the reporting period (Activity 1.1.1.1). The meeting in October 2013 reviewed the primary start up activities from September 2012 to August 2013. Highlights of work plan implementation and status of achievement, drawbacks and burn rate by partners and budget outlook for the next eight months were discussed. A number of decisions were made to improve future coordination between the consortium partners. During the consortium meeting in June 2014, the main first year achievements and challenges regarding implementation and coordination were presented and discussed. Improvements were proposed and agreed upon. The implementation performance of the consortium members was reviewed, and necessary corrective measures were taken.

Two national study tours were planned (Activities 1.1.1.2 and 1.1.2.4): one tour was organized by LMD and GRAD in the context of the 'Push-Pull' strategy. As the central theme of the study tour, the participants learned how to organize cooperatives. The second tour was the exchange visit of LMD-implementing partners to Oromia region.

AGP-LMD introduced monthly learning and coordination days (Activity 1.1.1.4) to facilitate reflection and interaction between the different sections of the project and to share experiences from our practice. Staff from Implementing Partners were also invited to these meetings. Throughout the year 12 days were organized during which plenary presentations were made, experiences were shared and discussions were held to capture lessons and improve our practice. The following topics were presented and discussed during the learning days:

- Introducing eLearning to Livestock
- AGP Regional Planning Process
- Experience Sharing on Milk Consumption Campaign (by Aster Advertising)
- Lessons Learned from International Trade Fair and Conference Participation
- Lessons Learned from International Study Tours.
- Scope of Work development and documentation required for short term local or international consultant recruitment
- Demonstration of Online Planning System
- Privatization of Animal Services
- Gender in CAHWs: “Can Women be Good CAHWs”
- Women Entrepreneurship Training
- Lessons Learned from School Milk Days
- Lessons Learned from Preparation and Conducting MSPs
- Communications: Report Writing and LMD Marking and Branding
- AGP-Common Interest Groups (CIGS): Findings From The LMD Assessment
- HIV/AIDS And the PEPFAR Program, Objectives and Strategy
- LMD Strategy Review

During the year, the emphasis of the coordination and learning days shifted to the development of 13 weeks detailed activity plans and the coordination between the LMD Addis Ababa team and the regional LMD and Implementing Partners’ teams.

AGP-LMD organized 15 regional and two federal level MSPs (Activity 1.1.2.1) with the objective to bring stakeholders and actors closer together and to learn from each other’s objectives, initiatives and different points of view with regard to policy issues that relate to the livestock sector. Information was shared and opinions and feedback were provided on issues such as land planning, livestock marketing proclamation and the veterinary privatization road map.

AGP-LMD used the experiences from the recently organized workshops and MSPs, to develop a detailed guideline for future workshops and MSP organization, as part of the learning agenda. The lessons learned focused on workshop preparation including developing invitation lists, booking venues, presentation rehearsals, etc.

The establishment of Innovation Support Teams (Activity 1.1.2.2) depends on the awarding of grants from the Innovation Fund. The Request for Application (RFA) for grants was published in July, and has led to 7 signed grants agreements and 16 grants that are nearly ready to be signed. Innovation support teams will be formed to accompany the grants implementation and will become operational in as soon as the grants implementation is fully underway. The second RFA was published early 2014, and the grants development process of over 40 grants is underway.

AGP-LMD produced 17 cases and success stories (1.1.3.1) over the first year about project outcomes. Those cases cover issues like our support to processing companies, the outcomes of trade fair participation, the impact of LMD trainings on individuals in the livestock sector and the promotion activities LMD in relation to increasing milk consumption.

AGP-LMD presented (Activity 1.1.3.2) at the annual conferences of both the Ethiopian Society of Animal Production (ESAP) and the Ethiopian Veterinary Association (EVA). At the ESAP meeting, AGP-LMD presented the findings of the project's value chain and end market analyses to educate livestock professionals on the value chain approach for development of the sector. AGP-LMD also made a presentation at the annual conference of the Ethiopian Veterinary Association (EVA) during that quarter. At the EVA meeting, AGP-LMD shared lessons learned from a previous skin disease trial with the participants and then incorporated the economic impact data of skin and hide rejection rates gathered by AGP-LMD during the value chain assessment. AGP-LMD also contributed to the "International Conference on Enhancing Economic Growth and Public Health Through Livestock Development and One Health Approach" organized by the University of Mekelle.

AGP-LMD organized seminars and national workshops (Activity 1.1.3.2) where presentations utilizing project deliverables and initiatives were made. In August 2013, the AGP-LMD Value Chain and Market Analysis findings were presented to sector actors and stakeholders for consideration and discussion. Additionally, the Business Enabling Environment Analysis was shared at an AGP-LMD national-level meeting with livestock actors and stakeholders. Finally, AGP-LMD organized a national seminar with the Ministry of Agriculture about livestock identification and traceability systems in Ethiopia. Here, AGP-LMD highlighted the necessity of traceability in Ethiopia and the plans for implementing a pilot program of this nature in Ethiopia in the coming two years.

AGP-LMD also presented (Activity 1.1.3.2) on different approaches, strategy mechanisms, and results analysis at several FtF (Nutrition, Baseline) and AGP Technical Committee and Steering Committee meetings (Project Approach, Outcomes/Results).

LMD has adopted a system of annual performance review (Activity 1.1.4.1) conducted around the staff members' annual work anniversary with the project. As a result, performance reviews were done throughout the year for all 24 staff that celebrated their annual work anniversary. The review is used to provide feedback to the staff regarding their performance and serves as the justification for the height of the annual salary increase of staff. The annual reviews resulted in annual performance-based salary increases from 2% to 5%.

During the year, LMD organized a number of in-house capacity building sessions (Activity 1.1.4.3) focused on key project functions:

- Project Monitoring and Evaluation training
- Gender mainstreaming training
- Report writing and communications training

In June 2014 AGP-LMD organized its second annual retreat (Activity 1.1.4.4) with the objective to look back at the first year of implementation and use the lessons and experiences for further improvement of the implementation for the years to come. The main challenges that were discussed, and for which improvements were proposed and agreed upon, are:

- Coordination with IP's: stronger involvement of IPs in the planning process, clearer responsibility for activity implementation, monthly reporting, coordination and planning meetings and quarterly progress meeting between LMD and IP senior management.
- Grants: increase the project's capacity in the area of financial analysis of grants proposals, two weekly grants developments and implementation progress monitoring meetings, and hire additional environmental STTA if required.
- Target settings and Impact Assessments: continuous monitoring, reporting and documenting, develop showcases and followup on activities (both M&E and technical team).
- Relationship with AGP, GoE & other projects: more participatory LMD planning process including more GoE stakeholders at regional and woreda level, participate in and contribute to all ACAL, AGP-TC and SC meetings, and include GoE AGP in LMD training activities.

Activity Description	Indicator	2014 Target (July 1, 2013-June 30,2014)			Annual Accomplishment (July 1, 2013 - June 30, 2014)			Activity Status	Remark
		M	F	Total	M	F	Total		
IR 1: INCREASED PRODUCTIVITY AND COMPETITIVENESS OF SELECTED LIVESTOCK VALUE CHAINS FOR THE BENEFIT OF SMALL-HOLDERS									
COMPONENT 1: FROM Analysis TO STRATEGY TO LEARNING									
1.1.1 Establishment of Communities of Practice									
1.1.1.1 Quarterly AGP-LMD and consortium partners review and learning event	# events	na	na	4	na	na	2	Partly completed	Two Consortium meetings were organised. Main objective was progress monitoring and strategy reviewing.
1.1.1.2 Exchange visits between implementing partners	# visits	na	na	4	na	na	1	Partly completed	One exchange visit was organised during the year
1.1.1.3 Review, define learning areas within strategy pillars and appoint leaders	# learning areas	12	3	15	na	na	15	Completed	Learning areas were defined per strategy. Each strategy has an appointed strategy lead. Strategies were reviewed during learning days and during the annual retreat in May.
1.1.1.4 Organize monthly AGP-LMD learning day	# learning days	na	na	12	na	na	12	Completed	
1.1.1.5 Quarterly community of practice learning meetings and documented lessons learned or good practices.	# lessons learned or good practices documented	na	na	8	na	na	0	Ongoing	Lessons learned and good practices are presented and shared, but not always documented. Success stories which includes good practices have been developed and reported. Conducted together with 1.1.1.4.
1.1.2 Innovations and Good Practices									
1.1.2.1 Organize MSPs with a learning agenda	# MSP	na	na	16	na	na	17	Completed	MSP's were organised on a quarterly basis in the four regions and at federal level. Main purpose of the MSPs is informing actors and stakeholders about developments and to listen to actors and stakeholders, influencing and affecting the livestock sector
1.1.2.2 Monthly Innovations support team monitoring meetings with a learning agenda	# Meetings	na	na	60	na	na	0	Postponed	Due to the delayed implementation of the grants, these teams are not in place yet.
1.1.2.3 Define and document lessons learned and good practices for reports, newsletters	# lessons learned shared	na	na	8	na	na	0	Postponed	See 1.1.2.2
1.1.2.4 Quarterly FtF Push-pull meeting with a learning agenda	# meetings	na	na	4	na	na	3	Completed	Several meetings with GRAD and PRIME were organised during the year. Collaboration was discussed and agreed upon.
1.1.3 Cases, Studies, Presentations									
1.1.3.1 Cases of good practice produced	# cases written by staff	na	na	12	na	na	17	Completed	Success stories were developed and included in the monthly reports.
1.1.3.2 Presentations made in conferences, seminars	# presentations made	na	na	10	na	na	10	Completed	LMD's experiences and approaches were presented in different conferences, seminars, national workshops and investment forums throughout the year.
1.1.3.3 Share good practices and lessons learned via quarterly AGP-LMD newsletter	# newsletters	na	na	4	na	na	0	Postponed	Due to the work load to produce monthly progress and FtF reports, success stories, quarterly reports, organising events etc. the newsletter did not materialize in the reporting year
1.1.4 Staff Development									
1.1.4.1 Annual performance reviews	# reviews	na	na	40	na	na	24	Completed	All staff that were eligible for an annual performance review were reviewed during the past year.
1.1.4.2 AGP-LMD staff annual development plan	# plan	na	na	1	na	na	0	Completed	Priorities were identified and prioritized
1.1.4.3 Implementation of staff development plan	# staff development events and trainings	na	na	20	na	na	3	Partly Completed	Three capacity building activities were undertaken in the area of reporting and communication, gender mainstreaming and M&E and included significant numbers of staff.
1.1.4.4 Annual retreat: review of strategy based upon learning.	# retreat	na	na	1	na	na	1	Completed	LMD organised the annual retreat in May 2014

COMPONENT 2: IMPROVE THE PRODUCTIVITY AND COMPETITIVENESS OF LIVESTOCK VALUE CHAINS

The emphasis of AGP-LMD has been at the middle of the value chain – focused on value chain drivers that can meet the demands of end markets and pull through supply from producers. In-depth, enterprise-level technical assistance was provided to build the competitiveness of these firms and directly impact the commercial viability of the entire value chains. At the producer level, the focus was to be on improving livestock management and establishing effective, well-governed and collaborative producer organizations. Similarly, for input suppliers and service providers, AGP-LMD helped establish and strengthen these businesses and linked them directly to value chain businesses. AGP-LMD also promoted the expansion of business service providers, commercial finance institutions, and the sustainable provision of market information for the livestock sector.

IR1: STRATEGY 1 - LINK VALUE CHAIN ACTORS TO INPUT AND SERVICE PROVIDERS

To build and strengthen commercial relationships between input supply companies and value chain businesses, AGP-LMD conducted business meetings between value chain actors, input suppliers and service providers in each of the four project regions. These meetings were structured as one-day “mini-trade fairs,” a new format for Ethiopia’s livestock sector. While the morning sessions included presentations by the input supply companies describing their company and services, the afternoon sessions included tabletop displays from each company that allowed each business to exhibit their products and directly interact with potential buyers. The companies were provided with a “deal sheet” prior to the event and were asked to complete the sheet for each sale, or potential sale, that they made during the event.

Over five hundred businesses participated in the AGP-LMD business-to-business meetings during the year, resulting in 168 confirmed sales. The input supply companies that participated in the events included feed manufacturers, artificial insemination providers, animal health and drug providers, manufacturers of agricultural and food processing equipment, milk processors and abattoirs. These business-to-business meetings were very well received by the farmers and companies who participated, as well as by the local officials who were previously unfamiliar with this type of activity and its benefits. AGP-LMD also assisted dairy and meat processors to access processing additives and supplies by hosting a visit by Lake International, a South African Company that distributes products for dairy and meat processing. During Lake International’s visit, AGP-LMD organized a meeting in which Lake International staff taught 12 dairy and meat processors about new quality testing and process supply technologies that are available in their industry. Many of the processors expressed an interest in purchasing Lake International products, which prompted Lake International to identify BK Agro Consulting and Food Additives (BK) as a distributor for their products in Ethiopia. As a result, BK has now imported three shipments of products from Lake International, valued at \$5500 (\$4200 dairy, \$1300 MLA). Additionally, Lake International’s technical staff visited Ethiopia for a second time in March and made marketing calls to several dairy and meat processors to support the local distributor. While Lake International’s products (dairy starter cultures and rennet for yoghurt and cheese, antibiotic test strips for milk, additives for meat preservation, etc.) were not previously available in Ethiopia, AGP-LMD has taught Ethiopian processors how to effectively use them to improve the efficiency of food processing operations.



Equipment supply company representative displaying products and explaining services at the Oromia Input Supply meeting.

Types of Deals Made

Region	Total No of deals	Processed feed/mineral supplement	Raw material for feed	AI service	Animal to abattoir	Machinery / Supplies	Vet Drugs	Milk supply to collectors, processors
Amhara	11	4			1	4		2
Oromia	5	2		1	1	1		
SNNPR	18	12	1	1			1	3
Tigray	13				6	7		

Dairy Farm Doubles Milk Yield Due To USAID Assistance

Ms. Fantu Michael operates a 10-cow dairy farm near Hawassa, SNNPR region. Fantu’s cows were only producing 30 liters of total milk per day, averaging only three liters each, and many of the cows were not reproductively cycling, and therefore, were not pregnant. Fantu was losing money and was considering closing her farm. During an AGP-LMD Business to Business Meeting using the mini-trade fair format, Fantu heard presentations from several feed companies and discovered that she was not providing the right feed to her cows. She had one on one discussions with both Alema Kaoudis, a feed company in Debrezeit, and Sidama ELTO, a feed processor in Hawassa. As a result, Fantu purchased two quintals of feed from Alema Kaoudis and she started to see improved milk production almost immediately. She also started using feed from Sidama ELTO, since it was easier for her to access. In addition, Fantu participated in a dairy management-training course developed by AGP-LMD. Within one month, Fantu’s milk production had doubled to 60 liters per month. Her improved feeding and management practices not only resulted in increased milk yield, it also provided enough nutrients for her cows to become reproductively active, and now seven of her cows are pregnant. Fantu reported that she is profiting from her farm, specifying that, “I am now seeing better prospect for my dairy farm as my cows are pregnant and the milk yield increased significantly due to better feeding practice, thanks to AGP-LMD’s Business to Business meeting and other technical supports.”

To further develop linkages between value chain businesses and input and ser



Mamush Feed Shop

+251 910261271

Oromia Region

Adama Woreda,

Kebele 2

Products: Concentrate Feed, Forage

Type of Business: Retail

Year Established: 2006

Lesson Learned

In Ethiopia, where private sector activity is nascent, business development activities are often mirrored after public-sector meetings, which generally include presentations by government officials, round table discussions, and question-and-answer sessions between an audience and a panel of experts. In other countries, where the private sector is more developed, industry associations conduct specialized activities that more effectively enable businesses to market their services and enable customers to learn about both new technology and sources for valuable products. The term “trade show” is often used to describe this industry-friendly format. Trade shows are conducted in developed countries within specific industries, often structured to include presentations on new technological developments by private sector companies and exhibition time for potential customers to visit private sector booths and learn about specific companies’ products, services, prices, distribution method, and technology. The private sector presentations are conducted on a voluntary basis (with no speaker fee) in recognition of the value of the marketing opportunity. At the conclusion of each trade show, private sector companies have three primary outcomes: 1) new sales, 2) potential sales, and 3) increased awareness of their competition. Customers, or buyers, benefit from new access to products and services.

AGP-LMD tested the value of the mini-trade show format in Ethiopia’s livestock sector in each of the four project regions at the outset of the 2012/3 project year. AGP-LMD coached the private sector companies to prepare their display and presentations, invited livestock producers, cooperatives and other value chain businesses to participate, and also invited public-sector officials to open each of the mini-trade shows to demonstrate government endorsement of the event.

The result was that the participating companies developed relationships with new customers, made sales, and learned about the value of conducting marketing activities. In addition, livestock producers learned about companies, products and services that they did not previously know existed. It is often assumed that livestock producers do not buy feed or other services because they lack the financial resources to do so. AGP-LMD learned that many livestock producers do have financial resources but are either not aware of the benefit of using purchased inputs, or they do not know where to purchase these products. AGP-LMD also concluded that the mini-trade fair format is an effective structure to promote the adoption of new technology that can increase farmers’ productivity and competitiveness, and also increase sales for input suppliers and other value chain companies to help them achieve economies of scale and customer-oriented services. AGP-LMD has continued to regularly conduct these meetings in each of the four project regions. In the future, AGP-LMD will begin to assist industry associations to organize and host these mini-trade fairs in order to achieve sustainability and build associations’ services and membership.

LMD identified 80 input supply businesses operating in the four project regions and developed a profile for each business. These profiles, and profiles of other national-level businesses, will be compiled into an Input Supplier Directory, which will be printed and then distributed to livestock producers in the coming year. The directory includes input supplier company profiles that will be useful in helping farmers access various services and supplies. A sample profile, featuring Mamush Feed Shop, is included here (right).

Activity Description	Value Chain	Indicator	Target (July 1, 2013-June 30,2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
			M	F	Tot.	M	F	Tot.		
COMPONENT 2: IMPROVE THE PRODUCTIVITY AND COMPETITIVENESS OF LIVESTOCK VALUE CHAINS										
1.2.1 Link Value Chain Actors to Input and Service Providers										
1.2.1.1 Organize business meeting between value chain actors and input suppliers and service providers (organize business to business meetings)										
1.2.1.1.1 Identify dairy processors, feedlot operators, slaughtering house, input and service providers etc.	MLA	# firms	na	na	42	na	na	45	Completed	Target exceeded
	Dairy		na	na	32	na	na	35		
1.2.1.1.2 Organize business meetings to encourage new contractual agreements. Some meetings may be held jointly among	MLA	# meetings	na	na	4	na	na	6	Completed	Target exceeded
	Dairy		na	na	4	na	na	6		
Same activity as above	MLA	# deals	na	na	18	na	na	53	Completed	Target exceeded
	Dairy		na	na	24	na	na	115		
1.2.1.2 Prepare input suppliers profile and distribute bi-annually	MLA	# new profiles	na	na	80	na	na	40	Partially completed	Final branding & marking underway. Printing postponed to July. Second round of the preparation of inputs suppliers profile postponed to next year.
	Dairy		na	na	80	na	na	40		

IR1: STRATEGY 2 –ESTABLISH AND STRENGTHEN INPUT SUPPLIERS AND SERVICE PROVIDERS

In addition to linking input suppliers and service providers to value chain businesses (Strategy 1), AGP-LMD also develops and strengthens the livestock-related input supply sector (Strategy 2). During the past year, AGP-LMD has strengthened input and service providers in several key sectors: Livestock Health Services (private and public), Feed Supply (private), Artificial Insemination Services (private and public), Livestock Slaughter Services (public), and Business Development Services (private).

Livestock Health Service Sector

Ethiopia's livestock sector is constrained by the prevalence of many diseases and health problems that result in high mortality, reduced productivity and farmer incomes, reduced quality of animal products, and blocked market access for Ethiopia's live animals and meat products in some international markets. Livestock producers have limited access to animal health services, most of which are provided by public-sector Animal Health Assistants (AHAs) and Veterinarians. To improve access, AGP-LMD embarked on a multi-pronged strategy through both public and private sector animal health service providers.

Within the private sector, AGP-LMD enabled 153 individuals to become private community animal health workers (CAHWS) during the 2013/4 period. CAHWs are livestock farmers who reside in each community, and who have an interest in providing services to their neighbors as a means of generating income. AGP-LMD provided these individuals with a 15-day training focused on basic animal health services such as dehorning, castrating, vaccination, hoof trimming, medicating sick animals, suturing wounds, and even identifying diseases that require referral to licensed veterinarians. AGP-LMD also provided each CAHWS with a basic tool kit that enables them to provide these services.

During recent coaching and monitoring activities, AGP-LMD learned that 74% of the CAHWs located in the SNNPR and Amhara regions have been successful at providing animal health services in their rural communities and are optimistic about continuing to provide animal health services. Each CAHW treats approximately 50 to 100 animals each month, providing coverage to an estimated 10% of the animals in their Kebede. Local government officials have indicated that livestock mortality rates have decreased as a result of the CAHWs and that farmers are happy with the new services. The CAHWs have reported that they are providing a valuable service to their community which has resulted in personal satisfaction as well as income. AGP-LMD also identified future activities that can help the CAHWs to become more profitable and productive, including improved access to drugs, improved coordination with government veterinarians and health officials, additional training, and supplementary resources such as cattle chutes and transportation (motorbikes or bicycles). Unfortunately, the 60 CAHWs trained in the Oromia region have been banned from

Gender Highlight: CAHWs

At the outset of the CAHWs program, AGP-LMD's goal of having at least 30% female participation appeared to be unattainable. The initial training group of 20 CAHWs included only three women (15%). Individuals are selected to become CAHWS by local government officials, since animal health services are government regulated. AGP-LMD's second CAHWS training roster included only two women (out of 20 participants) causing AGP-LMD to cancel the training until at least four additional women were identified.

Over the past year, AGP-LMD has now attained a 34% female participation rate within its CAHWS program. Government officials and community members have been surprised at how successful the female CAHWs have been at providing services. The positive impact on the women CAHWs has also been remarkable (see success story below).

Within AGP-LMD's recent analysis of the CAHWS program, the project learned that the women CAHWs have a higher success and satisfaction rate in comparison to their male counterparts, at 90% versus 65%. The reason for this difference remains unknown, but will be the subject of further investigation.

operating by the regional Livestock Agency due to the region's new strategy of developing private veterinarians and more highly skilled livestock health professionals.

Developing Women as Community Animal Health Workers

Ethiopia's livestock suffer from high mortality rates and reduced productivity due to a lack of animal health care. To combat this problem, AGP-LMD is developing community-based livestock health workers who provide basic health services. In the Gedeb Woreda of SNNPR region, AGP-LMD trained sixteen animal health workers, one of which was Shitaye Jebo. Shitaye Jebo is a 35-year-old woman who lives with her husband and six children. While her husband works each day for the Government, Shitaye looks after her children and the family's farm which includes a cow, ox, sheep and four chickens. Shitaye became interested in becoming an animal health worker after her cow became ill and she waited weeks for a veterinarian to provide treatment.

Since becoming a Community Animal Health Worker, Shitaye tells her neighbors that "you can spend 10 to 20 birr on medication to prevent your 3,000 birr cow from dying." In her first month of business, Shitaye treated 170 animals and earned 670 birr (36 USD). Shitaye has lost only one of her patients so far and is proud that she is providing a valuable service to her community.

Animal Health Assistant improves services and sees pathway for private services

Mr. Jemaneh is an Animal Health Assistant in the DebreBerhan woreda, Amhara region. His customers include dairy farmers with productive dairy cattle. Jemaneh learned about the treatment of mastitis during an AGP-LMD training program and is now actively treating mastitis infections, which are common in his region. Jemaneh wants to continue to upgrade his skills and open his own private clinic, so that he can provide better service to the dairy farmers in his region.

Within the public sector, AGP-LMD strengthened the skills of Animal Health Assistants (AHAs) during the 2013/4 period. AGP-LMD provided the AHAs with a three day training to help them identify and treat over 20 important diseases for cattle, sheep and goats that included practical and hands-on sessions with live animals and carcasses. AHAs are already animal health professionals, but they had received very little practical training in preparation for their positions and did not have access to continuing education programs.

During recent coaching and monitoring activities, AGP-LMD learned that the majority of AHAs have successfully applied their training by providing improved services to farmers (quality and timeliness) and sharing their knowledge with other AHAs and farmers. Now, many of the AHAs are even motivated to become private practitioners.

Feed Supply Sector

With only a handful of companies that manufacture and formulate livestock feed supplements using modern methods, Ethiopia's livestock sector is heavily dependent on small feed retailers that sell agro-industrial by-products and formulated feed supplements to livestock producers. These retailers generally operate very small shops that sell only livestock feed products. However, these entrepreneurs lacked the skills to be able to advise their customers on which types of feed were best for different types

INNOVATION GRANT: ETHIO-FEED

USAID's AGP-LMD provided an Innovation Grant to Ethio-Feed, a private sector feed company, to develop new types of livestock feed from previously unutilized agricultural waste products. The \$95,000 grant will also establish regional distribution for livestock feed in the AGP-LMD regions based on an innovative franchise model, creating employment for youth and women. Additional information on Innovation Grants is provided in Strategy 10 of this report.

of animals and the recommended volumes for feeding. In addition, the retailers were experiencing losses during storage and struggled to evaluate the quality of various feeds.

AGP-LMD partnered with the major feed companies to identify feed retailers in the project areas, and to then provided them with training on both technical feed issues (mixing, storing, feeding uses and rates, evaluating ingredients) and the business of retailing livestock feed (marketing & retailing). As a joint effort, AGP-LMD and experts from the feed companies trained feed retailers during the 2013/4 period, which covered the core AGP-LMD project areas.

During recent coaching and monitoring activities, AGP-LMD visited trained feed retailers in the Amhara region to assess their successes, failures and ongoing needs. Many of the feed retailers indicated that they have now changed the way they store ingredients, mix feed, advise customers, and (in some cases) manage their business. As a result, they are experiencing reduced losses and improved customer satisfaction. They indicated that they need additional business management training in order to expand their marketing activities and sales volumes. Many of the feed retailers also requested the AGP-LMD help them develop feed labels to differentiate their products and discourage adulterated product sales, which otherwise could discourage farmers from adopting improved feeding practices.



Artificial Insemination Services

Cross-bred dairy cows reliably produce three to ten times more milk than indigenous cows in Ethiopia. Artificial insemination is the most economical way to improve cattle breeds through cross-breeding. AGP-LMD conducted several activities during the 2013/4 period to expand artificial insemination services in the four project regions, including improving the skills of public-sector artificial inseminators, developing new private-sector inseminators, and also assisting ALPPIS, a private-sector artificial insemination company, to expand its services.

AGP-LMD improved the technical skills of public-sector artificial inseminators by conducting three, seven-day artificial insemination refresher courses. The trainees are practicing artificial inseminators who are candidates to expand AI opportunities, either through privatized or government services. The trained inseminators, and the government officials in their region, have reported that the training has resulted in more effective insemination services due to improved palpation and pregnancy checking skills. The outcome has been increased pregnancy rates and reduced repeat breeding. In addition, the trained inseminators' improved palpation skills are now helping them better the timing of the government mass-synchronization program, based on the cows' reproductive status, which is expected to improve the effectiveness of that program.



12 private artificial insemination technicians graduate from a 45 day USAID AGP-LMD-sponsored training.

AGP-LMD also developed 12 private artificial inseminators during the 2013/4 period, more than doubling the number of private inseminators in the country. These individuals are livestock specialists selected from high-potential livestock regions where there is a large demand for private artificial

insemination services. The training program was an intensive 45-day program that involved both classroom and hands-on activities involving a wide range of practical sessions with live cattle and reproductive organs from slaughterhouses. These private inseminators will have access to locally-produced semen imported from the World Wide Sires in the United States. A private technician generally inseminates five cows each day, or approximately 1000 cows each year.

Animal Slaughter Services

Municipal slaughterhouses provide slaughter services to butchers, restaurants and consumers. The poor standard of this service is a key reason why “backyard” slaughter is so prevalent in Ethiopia. AGP-LMD developed 25 slaughterhouse trainers who have now provided training to managers and technical employees from slaughterhouses in AGP-LMD’s project areas. This training is the first of its kind in

INNOVATION GRANT: ARTIFICIAL INSEMINATION

USAID’S AGP-LMD awarded a 100,000 USD Innovation Grant to the Addis Livestock Production and Productivity Improvement Service (ALPPIS) to expand artificial insemination services to farmers in the key dairy-producing areas of Ethiopia. The grant will enable ALPPIS to develop a network of independent inseminators that will provide timely breeding services and improved genetics to dairy farmers, thereby increasing their productivity. ALPPIS is a private company that is a registered distributor for World Wide Sires, enabling ALPPIS to access proven and highly-productive Holstein and Jersey breed semen, and even sexed semen which produces highly-demanded female calves.

Ethiopia and the slaughterhouse managers and workers were very receptive to using improved sanitation and slaughter practices. The training also identified the need for facility improvements (i.e. cleanable surfaces, ability to hang carcasses) in many slaughterhouses so that sanitary practices can be more effective. There has been recent discussion within the Ethiopian Government and at AGP-LMD multi-stakeholder platform meetings regarding the privatization of municipal slaughterhouses, which could provide an opportunity for investment into these important service providers in the livestock value chain.

During recent coaching and monitoring activities, AGP-LMD learned that most of the trainees have been able to implement new sanitation practices at their respective abattoirs. Improvements include new cleaning procedures, protective clothing and personal hygiene, improved inspection procedures to prevent the consumption of diseased animals, and efforts to upgrade municipal slaughterhouse facilities.

TRAINEE MOVED TO ACTION

After receiving slaughterhouse training from USAID’s AGP-LMD, Ms. Wagaye Kene’a told the Awabel Town administration that “we cannot create a healthy development agent army by feeding them unhealthy meat,” requesting that a new slaughterhouse that is capable of producing hygienic and safe meat is constructed in the town. The Town administrators are now planning to construct a new abattoir based on plans provided by AGP-LMD.

Activity Description	Value Chain	Indicator	Target (July 1, 2013-June 30, 2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
			M	F	Tot.	M	F	Tot.		
COMPONENT 2: IMPROVE THE PRODUCTIVITY AND COMPETITIVENESS OF LIVESTOCK VALUE CHAINS										
1.2.2 Strengthen Input Suppliers and Service Providers										
1.2.2.1 Adapt training modules for technical and business trainings	MLA	# modules	na	na	1	na	na	3	Completed (target exceeded by 50%)	
	Dairy		na	na	1	na	na	0		
1.2.2.2 Develop input supply and service provider trainers at the local level										
1.2.2.2.1 Identify BSPs and technical trainers	MLA	# trainers	24	11	35	na	na	35	Completed	Technical trainers identified via advertisement, BDS sourced regionally
	Dairy		20	10	30	na	na	31		
1.2.2.2.2 Conduct TOT for identified trainees on business and technical management	MLA	# trainees	32	14	46	28	2	28	Ongoing (75% complete)	BDS development program being developed for multiple strategies, but TOT listed will be completed in July.
	Dairy		32	14	46	0	0	31		
1.2.2.2.3 Conduct training to input/service providers (vet. shops, animal health workers,	MLA	# trainees	630	270	900	683	135	940	Completed	Target exceeded (117%)
	Dairy		560	240	800	734	104	1079		
1.2.2.2.4 Conduct coaching/progress meetings with TOT and IPs	MLA	# meetings	na	na	4	na	na	5	Completed	Target met
	Dairy		na	na	4	na	na	3		
1.2.2.2.5 Coaching & monitoring input suppliers and service providers	MLA	# trainees coached	387	153	540	151	57	315	Ongoing	Coaching provided to abattoir trainees, AHAs, AT technicians, CAHWs and Feed Stores (target not met fully)
	Dairy		336	144	480	22	1	23		

IR1: STRATEGY 3: IMPROVE LIVESTOCK MANAGEMENT

Poor farm-level livestock management practices have led to very low productivity, although Ethiopia has the largest livestock population in Africa. The AGP-LMD Strategy 3 includes activities that train farmers (primarily those who are organized into producer-groups such as Community Interest Groups (CIGs), Cooperatives, and Unions) through a cadre of qualified trainers.

During the 2013/4 period, AGP-LMD developed four training programs designed to improve livestock management practices (see table to right). AGP-LMD then trained 269 trainers from all four project areas in one or more of these management topics. These trainers included zonal level agricultural experts (government employee), woreda level development agents (government employee), private sector trainers, and field agents of private sector companies such as feedlots or dairy processors.

Livestock Management Training Topics:
Feedlot Management
Goat & Sheep Management
Dairy Farm Management
Hygienic Milk Production

These trainers went on to instruct 5,225 livestock producers engaged in fattening activities, sheep or goat production, and dairy farming. These farmers were strategically selected based on their ability to supply existing dairy processors, feedlots or abattoirs. Those selected also included farmers with cross-bred dairy cattle, such as those who recently received cross-bred heifers from Project Mercy. AGP-LMD then conducted a series of local study tours so that the most promising trainees could see real life examples of newlylearned management practices and technology applied by other farmers.

AGP-LMD recently conducted coaching and monitoring activities for a sample of trained farmers in the SNNPR region. AGP-LMD learned that the trained farmers have adopted new management practices and technologies associated with feeding, feed production, herd health, milking practices, record keeping, facility design, animal selection for fattening, and animal breeding.



Farmers learn about body condition scoring for both purchasing and selling livestock.



CIG members showing the urea molasses block she learned how to make through USAID’s AGP-LMD training.

AGP-LMD supported animal health activities through two key conferences during the 2013/4, which raised awareness of livestock health issues and created linkages between animal health practitioners, drug suppliers, and relevant government officials. One conference was conducted in Addis Ababa (African Livestock Exhibition and Congress) while the other was conducted at Mekelle University's College of Veterinary Medicine (Enhancing Economic Growth and Public Health through Livestock Development and One Health Approach). AGP-LMD staff provided presentations at both conferences.



Mekelle University College of Veterinary Medicine



Aberash Workneh improved his herds' feeding program after receiving training from USAID's AGP-LMD training program.



A dairy farmer in Debaya constructed a new crush for his cattle following the USAID AGP-LMD training.

Activity Description	Value Chain	Indicator	Target (July 1, 2013-June 30,2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
			M	F	Tot.	M	F	Tot.		
COMPONENT 2: IMPROVE THE PRODUCTIVITY AND COMPETITIVENESS OF LIVESTOCK VALUE CHAINS										
1.2.3 Improve Livestock Management										
1.2.3.1 Adapt or develop training modules for technical training (cattle/ shoat management, Feedlot /Dairy management, Dairy beef feeding, Hide/skin flaying and slaughtering management)										
(HIV/AIDS, Nutrition & Gender topics to be integrated in training)	MLA	# modules	na	na	1	na	na	1	Completed	
	Dairy		na	na	1	na	na	1		
1.2.3.2 Develop livestock management trainers at the local level (TOT)										
1.2.3.2.1. Identify technical trainers	MLA	# trainers	82	20	102	125	66	169	Completed	102% of target met
	Dairy		82	20	102	32	8	40		
1.2.3.2.2 Conduct TOT on Beef cattle and shoat management, Feedlot management,	MLA	# trainers trained	82	20	102	52	14	117	Completed	Target exceeded by 31%
	Dairy		82	20	102	101	51	152		
1.2.3.3 Conduct livestock management training to FBO/ Cooperatives, CIGS, Producer Groups, DAs, Feedlots, etc.										
1.2.3.3.1 Identify women and men to participate in training & make plans for daycare service to be provided during training	MLA	# trainees identified	2856	1224	4080	683	294	1553	Ongoing (64% complete - some data missed)	Additional identification is underway
	Dairy		2856	1224	4080	1027	803	2716		
1.2.3.3.2 Conduct training to FBO/ Cooperatives, CIGS, Producer Groups, DAs,	MLA	# trainees	2856	1224	4080	1003	610	2116	Ongoing (65% complete)	Training will continue in next WP Year
	Dairy		2856	1224	4080	1337	970	3109		
1.2.3.3.3 Coach trained FBO/ Cooperatives, CIGS, Producer Groups, DAs, Feed Lot Operators, Commercial Dairy Farm Operators	MLA	# trainees	2856	1224	4080	na	na	0	Ongoing (target will not be met)	Coaches being identified for Dairy. New coaching strategy developed for next WP
	Dairy		2856	1224	4080	na	na	0		
1.2.3.4 Organize in-country study tours for selected FBO/ Cooperatives, CIGS, Producer Groups, DAs, Feed Lot Operators, Commercial Dairy Farm Operators	MLA	# participants	98	42	140	na	na	39	Ongoing for Oromia	80% of SNNPR & Tigray targets met, 49% for Amhara and 0% for Oromia
	Dairy		84	36	120	na	na	57		
1.2.3.5 Support ongoing ectoparasite control program to increase its effectiveness and sustainability										
1.2.3.5.1 Organize meetings to develop supply relationships between CAHWS, Animal Health Assistants, BoAs & NAHDIC.	HSL	# participants	644	276	920	na	na	1148	Completed	300 participants at Mekelle Univ. Conference 764 at ALEC (10% of overall participation)

IR1: STRATEGY 4 - IMPROVE POST-PRODUCTION RELATIONSHIPS, EFFICIENCIES, AND QUALITY

AGP-LMD's Strategy 4 establishes and strengthens horizontal relationships among producer groups and downstream businesses to enable producer groups and other businesses to share information, collaborate to provide or procure services, increase bargaining power, reduce costs and improve access through economies of scale, and access finance. Key Strategy 4 activities during the 2013/4 period include: development of embedded services, creating quality based payments systems, and strengthening relationships and infrastructure between buyers and sellers, including producers in the GRAD and PRIME project regions.

Embedded Services

Dairy processors, feedlots and abattoirs can expand their business by providing services to their livestock producers that benefit both the producers and the buyers. However, these win-win activities were not previously established in Ethiopia and need to be identified and developed. Within the dairy value chain, AGP-LMD identified dairy processors interested in providing the following types of embedded services to their suppliers: feed supply, supply of aluminum milk cans, and milk collection and transport. Within the MLA value chain, AGP-LMD identified abattoirs interested in providing livestock transport services, feed and health services. AGP-LMD assisted the dairy processors and abattoirs to analyze the benefit of improved raw materials supply versus their investment and operating costs to establish these embedded services. AGP-LMD then entered into agreements with some of these processors (based on a competitive process) to share the cost of piloting these embedded services. Other processors will pursue the embedded services without Innovative Grants. The initial AGP-LMD pilot activities for embedded services are listed in the table below. Once these services are successfully piloted, cost benefit analyses will be shared within the industry to promote adoption by additional businesses.

Processor	Embedded Service
Emebet & Her Children Dairy	Milk Cans and Milk Collection
ALMI Dairy	Feed and Milk Collection
Kalmer Dairy	Milk Collection
ELEMTU Dairy	Milk Collection
Luna Abattoir	Feed and Livestock Transport

Quality Based Payments

Livestock producers in Ethiopia receive the same payment for they do for a high quality product. Milk and meat processors often purchase low quality products, because they are quality inputs. Quality based payment programs reward inputs by sharing a portion of the increased value with the payment systems also build vertical relationships, where respond to market signals by producing the type, volume and buyers want to purchase. These market-based incentives, or were analyzed by AGP-LMD international experts within both value chains.



Milk quality testing at a collection center.

a low quality product as struggle to enter certain often purchasing low producers for quality producer. Quality based producers are be able to quality of products that quality-based payments, the dairy and MLA

Within the Dairy Value Chain, AGP-LMD conducted a short-term assistance activity with support from dairy expert, Peter Dickrell. Dickrell tested milk in three milk-shed areas, including both milk collection centers and processing facilities, in three regions (Oromia, Amahara and SNNPR). He found that most dairy farmers are producing and delivering high quality milk to milk collection centers but that the long transport times (coupled with delayed cooling) often result in poor-quality milk at the processing facility. Dickrell conducted a financial analysis for three dairy processors to determine the economic benefit of high quality milk to their specific business and products, and helped each processor develop a system that pays a higher price for higher quality milk. The quality-based payment system measures quality in terms of fat content and indirect measures of bacterial count. AGP-LMD then shared these analyses with a wide range of dairy producers, seven of whom agreed to pilot the proposed quality-based payment system. AGP-LMD then to conduct field days for their suppliers to payment system and the ways in which they quality payment.

For the meat sector, AGP-LMD conducted a activity with support from international Jordan met with four export Abattoirs, six supermarkets, two local slaughter houses and various middle men (at Adama and markets). Jordan concluded that steps could the live animal payment systems but that the was not developed enough to institute a system at this time. Part of the reason for such foreign buyers have not provided clear quality abattoirs to use. However, abattoirs that and have a close connection to their abattoir that also operates several retail Corner) may have the potential to pilot based payment system for meat.

Buyer/Seller Relationships

AGP-LMD conducted 12 meetings between livestock buyers during the 2013/4 period. milk buyers have facilities to purchase farmers but they are not doing so because they managerial and operational skills, or end meetings addressed all three of these issues, isproviding additional assistance to solve the market issues. The outcome of the meeting Abergelle Export Abattoir was that six feedlot Abergelle livestock on a repeated and outcome of the meetings organized for the Dairy Coops are that both coops have ownership issues and re-established members.

AGP-LMD also assisted the ARSI Dairy to begin to chill and market its members' had received a 2,000-liter milk-chilling tank had not started to use it because the Union to operate itand did not have a market for their LMD provided the Union with a three-day operate and maintain the equipment, control effectively handle members' milk. In Union, AGP-LMD also contacted three

Livestock Producers Establish Supply Relationship with Export Abattoir



While Ethiopia’s livestock resources are very large, they are inefficiently managed and widely underutilized. However, there is a large and growing demand for Ethiopian meat and live animals in both Ethiopia as well as in global markets. AGP-LMD stimulates increased productivity of livestock producers, improves the competitiveness of abattoirs, connects exporters to global markets, and creates market linkages that facilitate business transactions along the value chain. In the Tigray region, one of Ethiopia’s newest abattoirs had been non-operational for the 10 months, in part due to an inadequate supply of livestock. At the same time, livestock producers in the region reportedly have livestock that they are unable to sell. To address this problem, AGP-LMD conducted a meeting with livestock producers and the Abergelle Export Abattoir to broker deals that create markets for producers while also enabling the abattoir to once again become operational. As a result of the meeting, six feedlots signed letters of intent with the Abergelle Export Abattoir to supply them with 1540 cattle and 900 shoats per month, or \$500,000¹ of livestock each month, on a continuous basis. This volume of livestock will be sourced through six feedlots where the animals are fattened for several months, while approximately 5,520¹ smallholder farmers will raise these animals and supply them to the six feedlots on an annual basis.

assisted these processors educate them on the new can achieve the higher

short-term assistance expert, Sean Jordan. Local butters, four many live animal traders Yabelo live animal be taken to strengthen export abattoir sector carcass-based payment a conclusion is that the standards, for the service local markets customers (such as Luna outlets called Fresh Ethiopia’s first quality-

livestock producers and Existing livestock and livestock or milk from either lack supply, markets. These although AGP-LMD operational and end-organized for the operators agreed to sell ongoing basis. The Humera and Zemen resolved their equipment commitments from their

Union in Aselle, Oromia milk. The ARSI Union several years ago but staff did not know how members’ milk. AGP-training on how to milk quality, and conjunction with the potential buyers in the

area to initiate discussions on new milk supply contracts. These discussions are ongoing and are expected to be concluded in the coming quarter. The Union members have an existing capacity to provide the Union with 2,000 liters of milk each day as an alternative to informal sales and non-commercial uses. Once members are confident in their ability to market milk through the Union, AGP-LMD anticipates that they will begin to expand their milk production activities.

AGP-LMD also organized a meeting between a large dairy processor, Sebata Industry (Mama Milk), and the ARSI Cooperative in Assella (Oromia region) to explore the opportunity for a new supply relationship. Sebata is now considering placing milk-cooling equipment in the Assella to justify the distance from Assella located. This proposed milk-linked to two additional ALPPIS—who have expressed interest and services (feed and artificial insemination) to transform the collection center to a supporting this activity.

AGP-LMD identified 1996 USAID-funded GRAD project in produce livestock and seek for their livestock. AGP-LMD interested in purchasing livestock a delegation to visit the GRAD. During the meetings, the abattoir farmers and the GRAD to purchase livestock from these aggregating 120 sheep or goats at a time and responding to preferences for are not currently in place, but the

FIRST KEY STEP TAKEN FOR MILK PROCESSING IN TIGRAY
<p>The Zemen milk processing plant, with a processing capacity of 2,000 liters a day, has been idle for more than two and half years. AGP-LMD facilitated a series of meetings and bilateral discussions to support the Tigray Cooperative Federation (an apex association of cooperatives in Tigray Region) with their request to the regional authorities to transfer the processing plant from the control of the local government to the Cooperative. That effort was successful. Following the transfer of the equipment, the Cooperative employed three new technical staff to facilitate start up and milk processing operations. With AGP-LMD support, the coop commissioned the equipment and will become operational in the near future, which will create a new market for dairy farmers in the Tigray region.</p>

area if it can fill an entire milk tanker to Addis Ababa, where Sebata is cooling/collection station could be businesses—EthioFeed and interest in distributing their products (insemination services, respectively) to “business hub.” AGP-LMD is

households in cooperation with the Oromia and SNNPR regions who assistance in identifying new markets identified four abattoirs that are (cattle, sheep and goats) and organized regions during the 2013/4 period. livestock purchasers provided the representative with their requirements regions. The requirements involve single location, fattening the animals, specific breeds. These requirements GRAD representative agreed to work

INNOVATION GRANT: FEED AND MILK COLLECTION AS AN EMBEDDED SERVICE

USAID’S AGP-LMD awarded a 99,685 USD Innovation Grant to the ALMI Dairy to manufacture and distribute feed to its suppliers, and to also provide milk collection and transport services. These embedded services are part of ALMI’s strategy to purchase 130% more milk, which it will process using newly installed milk processing equipment. The Innovation Grant is leveraged 3:1 based on ALMI securing financing from a local bank. The grant will create 21 new jobs and enable 440 smallholder dairy farmers to increase their incomes through improved productivity and profitability.

Activity Description	Value Chain	Indicator	Target (July 1, 2013-June 30, 2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
			M	F	Tot.	M	F	Tot.		
COMPONENT 2: IMPROVE THE PRODUCTIVITY AND COMPETITIVENESS OF LIVESTOCK VALUE CHAINS										
1.2.4 Improve Post-production Relationships, Efficiencies and Quality										
1.2.4.1 Assist processors, feedlot operators, etc. to develop embedded services/out grower activities (trainings, credit facility, inputs, etc.)										
1.2.4.1.1 Identify dairy processors, feedlot operators, slaughtering house etc. interested in developing embedded/out grower services	MLA	# firms	na	na	30	na	na	10	Completed	Sufficient number of firms identified to pilot various embedded services although only 61% of initial target reached
	Dairy		na	na	26	na	na	24		
1.2.4.1.2 Provide technical support for the development of embedded services & out grower services	MLA	# services analyzed	na	na	6	na	na	3	Completed	
	Dairy		na	na	4	na	na	5		
1.2.4.2 Organize meetings between buyers and sellers (FBO, CIG, Cooperatives, Feed Lot Operators, Processing Industries, etc) to improve sales	MLA	# meetings	na	na	4	na	na	8	Completed	Target exceeded by 50%
	Dairy		na	na	4	na	na	4		
same activity as above	MLA	# deals	na	na	10	na	na	7	Completed	95% of target met
	Dairy		na	na	10	na	na	12		
1.2.4.3 Support the introduction and expansion of quality-based payment systems for raw material suppliers										
1.2.4.3.1 Identify quality-based payment systems	MLA	# systems	na	na	3	na	na	3	Completed	
	Dairy		na	na	1	na	na	1		
1.2.4.3.2 Identify firms to pilot the systems	MLA	# firms	na	na	3	na	na	3	Completed	
	Dairy		na	na	4	na	na	12		
1.2.4.3.3 Train producers about the new system	MLA	# trainees	105	45	150	0	0	0	Delayed	System not ready
	Dairy		280	120	400	0	0	337		
1.2.4.4 Support FBOs to serve as effective marketing agents for producers										
1.2.4.4.1 Conduct training on marketing and product handling	MLA	# trainees	175	75	250	0	0	0	Postponed to next planning year	Training will follow leadership & governance training with same FBOs to ensure effectiveness
	Dairy		175	75	250	6	4	10		
1.2.4.4.2 Assist FBOs, CIGs, & coops to strengthen/establish/operate collection centers and/or chilling centers for milk & animals (technical & financial support)	MLA	# centers	na	na	10	na	na	1	Completed	Collection centers identified primarily via selected grant applicants
	Dairy		na	na	40	na	na	65		
1.2.4.5 Link producers from PSNP-GRAD, HABP and PRIME to processors and market opportunities										
1.2.4.5.1.a. Identify graduates/producers from PSNP-GRAD and HABP	MLA	# producers	140	60	200	na	na	1996	Completed	Combined target exceeded
	HSL		35	15	50	na	na	0		
1.2.4.5.1.b. Identify graduates/producers from PRIME	MLA	# of people	140	60	200	na	na	1500	Completed	1100 producers assisted via camel sale
	Dairy		0	0	0	na	na	0		
1.2.4.5.2 Identify interested buyers for producers identified in 1.2.4.5.1	MLA	# firms	na	na	4	na	na	4	Completed	
	Dairy		na	na	2	na	na	0		
1.2.4.5.3 Organize buyer & seller meetings	MLA	# meetings	na	na	4	na	na	4	Completed	
	Dairy		na	na	2	na	na	0		
1.2.4.6 Conduct marketing and product handling training for aggregators/traders (private)	MLA	# trainees	120	30	150	na	na	0	Activity reviewed and adapted	Product handling addressed through quality milk training
	Dairy		27	7	34	na	na	0		

with the farmers to meet these requirements over the coming six months.

IR1: STRATEGY 5 - IMPROVE NUMBER, QUALITY AND FUNCTIONALITY OF BUSINESSES IN THE MIDDLE OF THE VALUE CHAIN

AGP-LMD prioritizes activities focused on developing businesses in the middle of the value chain in recognition that private sector businesses can serve as the engine for development. These businesses connect livestock producers to markets. AGP-LMD provided technical assistance to dairy processors, feedlots and abattoirs during the 2013/4 period to help them produce new products, utilize new technology, and implement new management practices.

AGP-LMD expert, Mr. Giles Stockton provided technical expertise to feedlots in the Adama and Gondor areas of Ethiopia. These feedlots primarily fatten bulls for live animal export markets, selling about 400,000 bulls through Djibouti, and another 200,000 through Metema, respectively. Mr. Stockton visited the feedlots and advised them on the effectiveness of these feeding regimes. He explained the concept of leastcost rations, and he analyzed their current feed rations to determine the cost per unit of protein and energy. While all of the feedlots appeared to be profitable with their current feeding practices, Mr. Stockton was able to make recommendations to reduce the feed cost for each kilo of weight gain, to further improve the efficiency of their businesses.

AGP-LMD expert, Mr. Peter Dickrell provided technical expertise to small-scale dairy processors in the Amhara, Oromia and SNNPR regions including Rut & Hirut Dairy, Emebet & Her Children Dairy, Life Agro, and ALMI Dairy. Mr. Dickrell taught them how to make new dairy products such as cheeses and yogurts, and he showed them how to both increase the yields of their existing cheese products, and reduce processing times through new techniques such as adding salt at critical times and using dried cultures. In addition, he showed the processors how to improve their sanitation practices and food safety. At one dairy, Mr. Dickrell observed that the workers mixed heated pasteurized milk with chilled non-pasteurized milk to develop a product with a longer shelf life than raw milk. However, they then sold the blended milk as a solely pasteurized product. This practice is inefficient from a technical perspective, but it also presents food safety concerns. Mr. Dickrell explained this to the dairy and showed them how to improve their practices. Mr. Dickrell also showed processors how to make higher value cheeses, such as cheddar, at the exact same cost as the lower-value cheeses. Several processors

Livestock Value Chains Grow 43%

At the outset of the AGP-LMD project, Ethiopia's livestock value chains included 23 dairy processors and seven export abattoirs, two of which were inactive. These sectors have experienced growth over the past year, with the addition of two new export abattoirs (Halal and Abyssinia) and the re-initiation of a previously idle abattoir (Abergelle). In addition, 9 new dairy processors have either constructed new dairy plants, or re-opened previously idle plants.

USAID's AGP-LMD assisted some of these businesses with business plan development, access to credit guarantees, linkages to financing, linkages to markets and raw materials, training, and Innovative Grants. This increased processing capacity will provide improved market access to livestock producers.

INNOVATION GRANT: MOBILE ABATTOIR

USAID'S AGP-LMD awarded a 100,000 USD Innovation Grant to Yaklaget Import/Export to develop the first mobile abattoir in Ethiopia. Currently, many Ethiopians practice "back yard" slaughter instead of taking their animals to a municipal abattoir to be slaughtered, because of the poor standards at municipal abattoirs and (in some cases) the distance to the abattoir. The Yaklaget Mobile Abattoir is a small, but modern, abattoir that is mounted within a refrigerated trailer that can be moved from one location to another. Mobile abattoirs have been utilized in other countries to make slaughter services more convenient and simultaneously maintain a hygienic standard. The Yaklaget Mobile Abattoir will provide a convenient alternative to backyard slaughter in urban and peri-urban areas of Ethiopia, improving the quality of meat products and food safety.

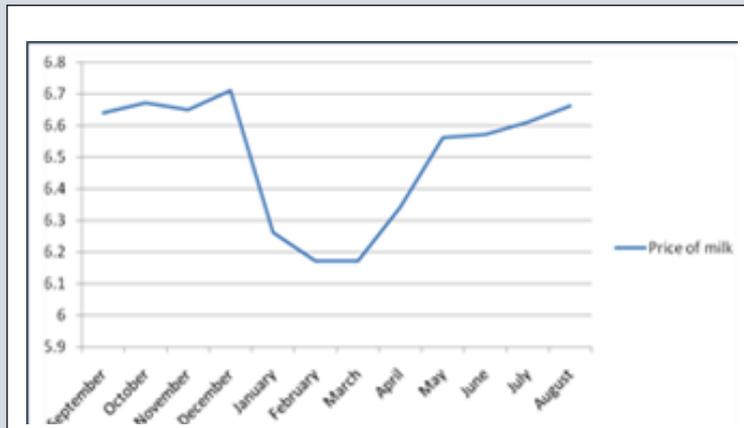
have begun to produce these new dairy products and indicated that they now purchase more milk from suppliers in order to manufacture these products. AGP-LMD provided abattoirs with HAACP (sanitation) and meat fabrication training through two expert trainers associated with Oklahoma State University. This training resulted in two abattoirs (Luna and Hashim) receiving export certification from the UAE. AGP-LMD also provided abattoirs with marketing training that they used to develop marketing plans focused on increasing their export sales. International marketing expert, Al Hamman, conducted the training. The impact of this training is reflected in the next section, Strategy 6: Increased Exports.

Dairy Industry Update: Insight on Ethiopia's Milk Consumption and Prices

Many factors affect the consumption of dairy products in Ethiopia, including income level, education, product availability, awareness, religion, age, health status, family size and the ownership of dairy cattle. Fasting has a negative effect on dairy consumption for Orthodox Christians, while fasting has a positive impact on dairy consumption for Muslims. The volume of milk processed in Ethiopia's dairy processing plants is normally low during fasting periods, due to an overall lesser demand.

For dairy producers, the farm-gate price of milk and dairy products is lower during fasting periods (primarily March and April). However, there could also be a downward effect on milk prices during this period due to higher milk yields caused by seasonal rains. Similarly, higher prices of dairy products during the dry season (October to December) may be affected by lower seasonal milk yields. Holiday-related demand for specific dairy products also influences seasonal pricing.

Sources: [Ayantu Mekonnen. 2006. Women's Role on Production, Processing and Marketing of Milk and Milk Products in Delbo Watershed of Wolayta, Ethiopia. MSc Thesis. University of Hawassa, Ethiopia.][Negusse Gebreselassie. 2006. Characterization and Evaluation of Urban Dairy Production System in Mekele City, Tigray Region, Ethiopia. MSc Thesis. Debu University, Ethiopia.][Mekdes Asfaw. 2008. Assessment of Processing Techniques and Quality Attributes of Butter Produced in Delbo Watershed of Wolayita Zone, Southern Ethiopia. MSc Thesis. University of Hawassa, Ethiopia.]



Source: East Africa Agricultural Productivity Project (EAAPP). Debrezeit Agricultural Research Center, Dairy Research Activity Report. 2013

Activity Description	Value Chain	Indicator	Target (July 1, 2013-June 30,2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
			M	F	Tot.	M	F	Tot.		
COMPONENT 2: IMPROVE THE PRODUCTIVITY AND COMPETITIVENESS OF LIVESTOCK VALUE CHAINS										
1.2.5 Improve Number, Quality and Functionality of Businesses in the Middle of the VC										
1.2.5.1 Support new and existing processors to maximize operational capacity & efficiency										
1.2.5.1.1 Identify businesses, and conduct training and technical needs assessment	MLA	# firms	na	na	10	na	na	10	Completed	Target exceeded (130%)
	Dairy		na	na	10	na	na	16		
1.2.5.1.2 Conduct customized business management training (advertising, market	MLA	# trainees	27	7	34	36	6	42	Completed	Target exceeded (103%)
	Dairy		24	6	30	16	6	22		
1.2.5.1.3 Conduct customized technical training including introducing new technology	MLA	# trainees	27	7	34	109	41	106	Completed	Target exceeded (231%)
	Dairy		24	6	30	19	8	42		
1.2.5.1.4. Conduct customized environmental stewardship and occupational safety training	MLA	# firms	na	na	17	na	na	66	Completed	Target exceeded (244%)
	Dairy		na	na	10	na	na	0		
1.2.5.1.5 Conduct customized PLHIV & Gender training for Human Resources	MLA	# firms	na	na	7	na	na	6	Completed	Target substantially met (94%)
	Dairy		na	na	10	na	na	10		
1.2.5.1.6 Organize and conduct domestic (1) and international (2) study tours		# of tours							Ongoing	Namibia trip combined 2 international study tours (combined abattoir and feedlot participation). Trip was initiated in may but then re-scheduled for July due to airline problem. Domestic tour no longer planned/needed.
	MLA		na	na	3	na	na	0		
	Dairy		na	na	3	na	na	0		
1.2.5.2 Provide technical assistance for new product development, including for by-products and nutritionally fortified products	MLA	# new products	na	na	4	na	na	0	Ongoing	STTA being recruited
	Dairy		na	na	4	na	na	10		
1.2.5.3 Support the establishment of accredited certifying firms for livestock value chains										
1.2.5.3.1 Identify firms to become accredited certifiers	MLA	# firms	na	na	1	na	na	4	Plan Revised	Local firm identified to provide the certifying training & prep., but only international certifier will be respected by global market.
	Dairy		na	na	1	na	na	0		
1.2.5.3.2 Provide technical support for firms to become accredited certifier	MLA	# trainees	na	na	3	na	na	0	Completed	target exceeded by 60% due to high demand
	Dairy		na	na	3	na	na	0		
1.2.5.3.3 Link local/international accredited certifiers to value chain firms	MLA	# firms	na	na	6	na	na	0	Ongoing	Via Innovative grant program
	Dairy		na	na	6	na	na	0	Postponed	Delayed to next WP year

AGP-LMD actively works to expand markets for livestock products, both within Ethiopia and internationally, by supporting businesses' participation in international and domestic trade fairs, facilitating buyer-visits to Ethiopia including one-on-one meetings, and also organizing forums and match-making events.

Trade Fairs

Trade Fairs are among the most successful activities conducted by AGP-LMD to expand markets for livestock products. AGP-LMD participated in trade fairs in the Middle East (Gulfood), Asia (China International Meat Industry Exhibition and Singapore's Food Asia), South Africa (Food & Drink Exhibition) and India (Dairy Universe India). Because of these activities, Ethiopian abattoirs and live animal exporters increased their exports to the Middle East, made significant progress to open the Asian market for frozen meat products, identified technologies to enable Ethiopia's dairy processors to displace imported dairy products, and learned about both markets and competitors on the African continent.

Asia Market Development

AGP-LMD assisted three export abattoirs (Modjo Modern, Organic and Abergelle) to participate in the China International Meat Industry Exhibition (CIMIE) held Oct. 13-15, 2013 in Chingdao, China. The Chinese meat industry had previously expressed interest in purchasing meat products from Ethiopia, and it is in the process of negotiating a phytosanitary protocol with the Ethiopian Ministry of Agriculture. During this visit, the abattoirs and AGP-LMD staff identified specific products for the Chinese market, discussed pricing and quality standards, and identified specific buyers for various products. The Ethiopian delegation was surprised to learn that the Chinese market is interested in purchasing a wide range of Ethiopian meat products (meat cuts, bone, fat, offal), but not full carcasses. They were also surprised to learn that the Chinese buyers are willing to pay reasonable prices that will cover the transportation cost for frozen product from Ethiopia. Once the government-to-government protocol is in place, the delegation will be ready to initiate sales to the Chinese buyers that they met during the visit.

As a result of AGP-LMD's participation in the China International Meat Industry Exhibition, the Taian Henson Company International visited the Abergelle Export Abattoir in Mekelle, Ethiopia as a follow-up activity. This buyer was not represented at the CIMIE Exhibit, but they received the contact information of Abergelle through their Chinese associates who did attend CIMIE. The Taian Henson Co. Intl. toured the Abergelle facility during the visit, and they **expressed an interest in purchasing 1000 tons of beef and mutton on a monthly basis**, which represents approximately 40 containers of frozen meat valued at approximately USD 110,000 per container, or 52 million USD per year. **This would represent a 40% increase in Ethiopia's annual meat export value.** Abergelle is currently in negotiation with the Taian Henson Company regarding a potential contract, but it will first be required to obtain HACCP certification and eventually receive an ISO certification to meet necessary quality standards. In addition, the Ethiopian and Chinese Governments must negotiate a new trade protocol before Ethiopian meat can be exported to China.

AGP-LMD also participated in the Food Hotel Asia Exhibition in Singapore during 2013/4 period with three export abattoirs, two government experts and the Ethiopian Meat Producers and Exporters Association. AGP-LMD contracted the Asian marketing expert, Ted Haney, to assist the delegation during the exhibition. The participants reported that the visit was extremely productive. One trade deal and one international buyer visit are currently being finalized because of this event.

Based on AGP-LMD's initiatives to open Asian markets for Ethiopian meat products, the Ethiopia Meat Producers and Exporters Association and the Ministry of Agriculture hosted a delegation from China as a step towards establishing a new trade protocol between the two countries. The Chinese delegation met with abattoirs to discuss new supply relationships and standards. AGP-LMD anticipates that Ethiopia will begin to make sales to Asia in the coming year.

Middle East Market Development

AGP-LMD assisted Ethiopia's meat and live animal sector to prepare for and participate in the Gulfood Show during the 2013/4 period. AGP-LMD helped the Live Animal Traders Association and the Meat Producers and Exporters Association to organize promotional materials including association and business websites, and a full-color brochure that provided attractive information on Ethiopia's livestock producers and abattoirs. AGP-LMD also provided films, posters and brochures to introduce and popularize Ethiopian livestock and meat products at the fair.

Because of AGP-LMD's participation in Gulfood, Ethiopian abattoirs conducted discussions with buyers from Jordan, Egypt and UAE. Global Elmek PLC, a Jordanian company, met with Abergelle and Organic Abattoirs to discuss importing frozen Ethiopian beef to Jordan. The Jordanian market demand exceeds Ethiopia's production capacity and has specific quality and supply requirements that must be met. The companies discussed the product type, quality, price and delivery system and reached a preliminary agreement to supply Global Elmek PLC.

Several meat importers from Egypt met with the Ethiopian abattoirs to discuss importing deboned frozen beef from Ethiopia. These Egyptian companies are currently importing frozen beef and buffalo meat from Brazil and Australia, and at a lower price than what is generally available from Ethiopia. These companies conducted meetings with Abergelle and Organic meat export companies on meat types and meat product delivery system, price, and quality. It was concluded that, until Ethiopian abattoir's high price of beef production (in part due to insufficient utilization of the entire animal) is adequately addressed, selling beef into low-price markets will not be economically feasible.

Siam Meat Importing Company, from UAE, met with Ethiopian abattoirs to discuss their needs for sheep and goat (shoat) carcasses. The company imports frozen and fresh deboned & bone-in beef from India, Australia and Brazil. It also imports shoat carcasses and cuts from Australia, India, Pakistan, Ethiopia and Somalia. Siam's managing director visited the Ethiopia booth and discussed the quality and price of shoat carcasses. Based on the discussion, Siam's Director indicated his desire to strengthen the trade relation with Ethiopia's meat exporters. Abysinnia Export Abattoir had very positive discussions with Siam and is expected to complete negotiations for a new contract with them in the near future, particularly since Abysinnia has now received certification to export to UAE.

The participants of the live animal trade sector promoted their export trade to visitors of the Ethiopia booth. Potential customers were informed about Ethiopian live animal production, development, health status, value, and the procedures to export livestock from Ethiopia. The Ethiopian delegation distributed promotional materials to visitors and conducted discussions that are expected to result in the creation of further interest in Ethiopia's live animal and meat export. Two TV screens were placed on both sides of the Ethiopian pavilion showing the Ethiopian culture, history, monuments and products, and they successfully attracted visitors to the pavilion.



The Ethiopian Pavilion at Gulfood 2014

As a result of AGP-LMD's participation in Gulfood, Ethiopian live animal exporters conducted discussions with buyers from Yemen, Libya and UAE. Shek Mussie Kalif (Ethiopian live animal exporter) met with Ibrahim Ahmed Ali, a Yemeni live animal importer to discuss new contracts for cattle and shoats. The discussions included details on volumes, quality, procedures, and pricing. The Ethiopian live animal exporter agreed to follow-up with this potential buyer after Gulfood.



Discussions conducted by Abaki Live Animals Exporter (Mr. Bereket Demeke) with Alradad Food.

Abaki Live Animal Export met with Alradad Food Import, a Libyan live animal importer to discuss new contracts for camels and shoats. The discussions included details on volumes, quality, procedures, and pricing.

Live Animal Exporter, Tewodrose Teshome, met with UAE-based Hameria Trading (a live animal importer) regarding potential trade of Ethiopian livestock.

Ethiopian abattoirs and live animal exporters developed 26.8 million USD of new livestock sales potential (annual basis) and 11.6 million USD of new meat sales potential (annual basis) as a direct result of Gulfood 2014. **By the end of the reporting period, approximately 10 million US\$ of meat and live animals exports have materialized.**

AGP-LMD Gulfood Participants

Name	Institution	Position
Mr. Mulugeta Berhane*	Abergelle Export Abattoir	Manager
Terhas	Luna Export Abattoir	Marketing Manager
Hashim Nuru	Helmex Export Abattoir	Owner, Managing Director
Liya Abdrehaman	Organic Export Abattoir	Marketing Manager
Ayele Dejene	Mojo Modern Export Abattoir	Owner, Managing Director
Dr. Teshome Bekele*	Abyssinnia Export Abattoir	Manager
Mabashir Jalili	Halal Export abattoir	CEO,
Solomon G/ Hiwot*	Shag Import/Export	Manager
Tewodrose Teshome*	Tewodrose Teshome Live Animal Export	Owner, Managing Director
Bereket Demeke	Abakiya Live Animal Export	Owner, Manager
Hussien	Raz Agrovet Import/Export	Owner
Shiek Mussie Abdulkelif	Shek Mussie Abdulkelif Exporter	Owner, Manager
Abebaw Mekonen*	Ethiopian Meat Producer & Exporter Association	Manager
Shibeshi Teshome*	Ethiopian Live Animal Trader Association	Manager
Kelifa Hussen*	Ministry of Trade	Live animals Marketing Director
Birihun Amsalu*	Ministry of Industry	Marketing Specialist
Gedion Yilma*	Ministry of Agriculture	Export Abattoirs Team Leader
Tebeje Neguissie*	AGP-LMD	MLA Value Chain Manager
Marc Steen*	AGP-LMD	Chief of Party

* Denotes partial or full sponsorship by AGP-LMD

Competitive Dairy Product Market Development

AGP-LMD sponsored five Ethiopian dairy processors (ALMI, Life Agro, Emebet & Her Children Dairy, Elemtu and Yakla) to attend the Dairy Universe India tradeshow that was conducted in December 10 - 13, 2013 in Gujarat India. Each of these processors are in the process of expanding their operations and had requested to learn about new technology that they could utilize to improve their

competitiveness. During the exhibit, the processors met with milk processing equipment manufacturers and related business service providers. The Ethiopian businesses identified several types of equipment that they wanted to utilize and all of the businesses were particularly interested in a new yoghurt cup sealing machine, which will improve their ability to manufacture and sell yoghurt. The manufacturer only had one machine in stock, which the participants purchased and carried back to Ethiopia. The businesses have since identified a local company to manufacture the machine and have expressed their interest in purchasing the first prototypes.

In addition to learning about new technology, the delegation also participated in workshops where they learned about Quality Initiatives in Dairy Value Chain (from Producer to Consumer) and Emerging Global Trends in Ice Cream Industry. One of the major conclusions from these sessions was that automation is one of the primary tools to improve product quality by removing variations caused by human error. Ethiopian dairy processors are not well-automated and now see the benefits of gradually increasing automation as they expand. The delegation also visited equipment manufacturers, dairy processors, milk collection stations, dairy farmers and retailers where they learned about a wide range of business operations and products.

African Livestock Exhibition and Congress (ALEC)

AGP-LMD sponsored 20 dairy processors, abattoirs, and other value chain businesses to participate in the ALEC exhibition conducted in Addis Ababa during the 2013/4 period. AGP-LMD also trained and coached the businesses on how to prepare their displays and conduct marketing activities during ALEC. To incentivize the businesses, AGP-LMD sponsored several awards during ALEC. These included:

- Best Dairy Booth Display – Etete Dairy
- Best Yoghurt Product – Ada Dairy Coop
- Best Provolone Cheese Product – Family Milk
- Best Mozzarella Cheese Product – Life Agro Dairy
- Best Carcass Fabrication – Luna Abattoir

AGP-LMD facilitated participation of 10 international buyers to ALEC (MLA) and many domestic buyers in both the MLA and dairy value chains. AGP-LMD also organized several forums during ALEC to introduce market opportunities including business to business meetings, presentations, events, and the strong participation of both the dairy and MLA sectors as exhibitors throughout ALEC.

As a result of these activities, several of the sponsored businesses were successful at developing new business deals for both new sales and new supply. These include:

- Emebet & Her Children Dairy – 6 deals
- Life Agro Dairy – 30 deals
- Rut & Hirut – 3 deals
- Selalle Dairy Union – 13 deals
- Yakila Dairy – 11 deals
- Ada Dairy Coop – 4 deals
- Family Milk – 6 deals
- Luna Abattoir – 1 deal
(1st shipment is 1.5 MT of chilled goat carcass to Kuwait buyer)

Emebet & Her Children Dairy Secure Sales

During the ALEC exhibition, Emebet & Her Children Dairy actively marketed their cheese products which caught the attention of Moringa Farm, a cheese buyer in Gondar that had been transporting cheese from Addis Ababa. After tasting Emebet's cheese, Moringa expressed interest in buying 600 kg of cheese each month and purchased an initial amount as samples for Moringa's customers. As a result, Emebet is now processing an additional 100 liters of milk per day (up from 500 liters), which provides approximately 20 smallholder farmers with new market access.

Buyer Visits

AGP-LMD also facilitated the visit of an international business, Coltrad Ltd, to Ethiopia during the 2013/4 period. Coltrad Ltd. processes livestock bones for sale to global buyers in the gelatin market. Bones are a by-product of the meat processing business and are mostly discarded in Ethiopia. Ethiopia has a favorable rating with regard to Mad-Cow syndrome (BSE) and therefore has the ability to provide bone products for the international market. AGP-LMD hosted Coltrad Ltd and accompanied them to visit abattoirs and butchers in Oromia and SNNPR, where they were able to access the quality and supply of Ethiopian livestock bones. Coltrad Ltd was pleased with the meetings and proceeded to conduct a trial in which it processed one ton of bones in Debre Zeit and then provided samples for analysis on the global market. AGP-LMD facilitated the collection of these bones and also assisted with commercial contacts to process the bones. Coltrad Ltd. is now developing plans to establish a bone processing operation in Ethiopia, which would provide a new market for Ethiopian abattoirs and butchers.

Together with the Ethiopia Meat Producer Export Association (EMPEA), AGP-LMD hosted a delegation of three official meat facility inspectors from the United Arab Emirates (UAE). UAE inspectors had previously banned meat imports from the Luna and Hashim (Helmex) Export Abattoirs due to phytosanitary violations, resulting in 2.8 million USD of lost sales each month. Since that time, AGP-LMD had provided technical assistance to both abattoirs (to help them improve their sanitary standards) and overall operating systems (Strategy 5 activities). This assistance resulted in significant improvements at both facilities. In addition, AGP-LMD also provided similar support to two new abattoirs, Abysinnia and Halal Export Abattoirs. During the UAE inspectors' visit, five facilities were inspected including the four abattoirs assisted by AGP-LMD (Luna, Hashim, Abysinnia and Halal) and one of the Elfora abattoirs (not a previous AGP-LMD beneficiary). The inspectors found significant improvements at the Luna and Hashim abattoirs and re-certified these abattoirs for UAE export. **Both abattoirs have now reinitiated 2.8 million USD of monthly exports to UAE due to assistance provided by USAID's AGP-LMD.** In addition, the Abysinnia and Halal abattoirs also received certification and anticipate beginning an estimated \$750,000 of new exports to UAE each month during the upcoming Quarter. *On an annual basis, these new certifications are anticipated to result in an additional 42.6 million USD of meat exports for Ethiopia.*

Lesson Learned:

During AGP-LMD's first program year, the project sponsored government officials to participate in the Gulfood 2013 show, but did not facilitate the participation of private sector participants. Unfortunately, no livestock-related sales were achieved as a direct result of Gulfood 2013.

For Gulfood 2014, AGP-LMD sponsored fewer government officials' participation in Gulfood, and also facilitated the participation of several private sector representatives from both abattoirs and live animal export companies. The private sector participants were selected based on their ability to make sales to the middle eastern market. Companies that had previously attended Gulfood were not sponsored by AGP-LMD, but AGP-LMD staff at the Ethiopia booth facilitated their participation. Companies that had not previously participated in Gulfood were partially sponsored by the project (AGP-LMD paid for airfare and hotel expenses, but provided no per diem).

This modified approach resulted in an estimated 38 million USD of new sales (annual basis), while the previous approach resulted in no sales. While it is helpful to include some government officials as part of trade fair delegations, their participation does not result in direct sales.

Activity Description	Value Chain	Indicator	Target (July 1, 2013-June 30,2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
			M	F	Tot.	M	F	Tot.		
COMPONENT 2: IMPROVE THE PRODUCTIVITY AND COMPETITIVENESS OF LIVESTOCK VALUE CHAINS										
1.2.6 Market Expansion – Domestic and International										
1.2.6.1 Conduct training of trade fair participants	MLA	# trainees	24	6	30	5	1	39	Completed	Target exceeded (110%)
	Dairy		15	4	19	4	1	15		
1.2.6.2 Send businesses to participate in domestic trade fairs to identify new customers	MLA	# firms participating	na	na	10	na	na	10	Completed	83% of target met
	Dairy		na	na	14	na	na	10		
1.2.6.3 Send businesses to participate in international trade fairs to identify new customers.	MLA	# firms participating	na	na	20	na	na	18	Completed (90% of target met)	Target not met 100% due to substitution of government experts for some businesses.
	Dairy		na	na	5	na	na	5		
Based on two activities above	MLA	# deals	na	na	30	na	na	5	Completed	Combined target exceeded
	Dairy		na	na	19	na	na	74		
1.2.6.4 Conduct buyers (end market) and sellers meeting/communication for new product and new market development	MLA	# meetings	na	na	5	na	na	9	Completed	Target Met
	Dairy		na	na	5	na	na	1		
1.2.6.5 Facilitate visits of possible buyers in Ethiopia	MLA	# buyers visited Ethiopia	na	na	3	na	na	11	Completed (target exceeded)	Dairy sector not ready to export products.
	Dairy		na	na	2	na	na	0		
1.2.6.6 Organize forums to introduce market opportunities	MLA	# forums	na	na	4	na	na	3	Completed	Target substantially met
	Dairy		na	na	2	na	na	2		

IR1: STRATEGY 7 - STRENGTHEN GOVERNANCE & COMPETITION WITHIN VALUE CHAINS

Ethiopia's livestock FBOs are characterized by a lack of effective leadership and governance, limited collaboration capacity, and insufficient service provision to their members. Although cooperatives are abundant in Ethiopia's dairy sector, and have a vital role to play in terms of aggregating products and providing economies of scale to smallholder farmers, they have been largely ineffective to date. This adversely affects their members and the overall sustainability of the FBO. This is especially true for cooperatives, unions and CIGs at different stages of their development. There are large numbers of cooperatives in the livestock sector, specifically in the dairy sector. There are also business-oriented dairy unions and cattle fattening cooperatives in peri-urban and urban areas of Ethiopia.

AGP-LMD trained 110 Regional Coop Specialists and Managers to conduct training on cooperative leadership, governance, collaboration capacity and service provision in all four project regions during the 2013/4 period. This training was then provided to 534 leaders and managers of cooperatives, unions, associations and common interest groups throughout the four regions. This training improved the management and governance of FBOs and associations to increase competition within the supply chains and service and inputs provision in the value chains. The most promising of these FBOs will receive ongoing assistance from AGP-LMD in the form of training, mentoring, and Innovative Grants.

Association Development

AGP-LMD provided support to the Ethiopian Society of Animal Production (ESAP) during the 2013/4 period by assisting with their annual meeting and sponsoring the association's quarterly newsletter. This year's EDAP conference focused on the importance of the value chain approach for the development of Ethiopia's livestock sector. Dr. Girma Abebe, AGP-LMD's Small Ruminant Specialist, presented the findings of the project's value chain and end market analyses to educate livestock professionals on the value chain approach and the ways in which AGP-LMD will strengthen the value chains.

AGP-LMD also made a presentation at the annual conference of the Ethiopian Veterinary Association (EVA) during the 2013/4 period. At the EVA meeting, Dr. Kassa Bayou, AGP-LMD's Animal Health Advisor, shared lessons learned from a previous skin disease trial with the participants and then incorporated the economic impact data of skin and hide rejection rates gathered by AGP-LMD during the value chain assessment.

AGP-LMD assisted the Ethiopian Meat Producers Exporters Association (EMPEA) to develop a market-oriented website for the Association. AGP-LMD provided assistance with design, content and technical consultation on issues related to web hosting. This Association strives to provide marketing services to expand export markets for its members but had lacked an effective website presence.

Activity Description	Value Chain	Indicator	Target (July 1, 2013-June 30,2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
			M	F	Tot.	M	F	Tot.		
COMPONENT 2: IMPROVE THE PRODUCTIVITY AND COMPETITIVENESS OF LIVESTOCK VALUE CHAINS										
1.2.7 Strengthen Governance and Collaboration within Value Chains										
1.2.7.1 Provide TOT to regional partners and others to provide training on leadership and	MLA	# trainers trained	24	6	30	48	5	55	Completed	Target exceeded by 83% due to high demand
	Dairy		24	6	30	46	7	55		
1.2.7.2 Provide (above) training to FBOs, CIGs, Coops, Associations (PLHIV to be	MLA	# trainees	240	60	300	188	74	270	Completed	Target substantially met (89%)
	Dairy		240	60	300	160	130	264		
1.2.7.3 Assist sectorial associations to open regional chapters (technical assistance and/or sponsor event)	MLA	# Associations	na	na	4	na	na	0	Cancelled	DBA event planned for July. MLA Association not yet ready.
	Dairy		na	na	2	na	na	0	Ongoing	
1.2.7.4 Strengthen association services associated with membership facilitation	MLA	# Associations	na	na	5	na	na	6	Completed	Target Met
	Dairy		na	na	5	na	na	4		
1.2.7.5 Provide technical support and training to develop Dairy Herd Improvement Program in Ethiopia	Dairy	# trainees	16	4	20	0	0	0	Ongoing	Planned for July with DBA in Hawassa

IR1: STRATEGY 8 - INCREASE DOMESTIC CONSUMPTION OF DAIRY PRODUCTS

AGP-LMD's Strategy 8 is focused on improving the consumption of dairy products in Ethiopia in order to both promote good nutrition and to expand the market for dairy products. AGP-LMD conducted 14 school milk days covering all four target geographic regions as part of this strategy. These events educated students, parents, teachers and others in the community about the nutritional benefits of drinking pasteurized or boiled milk. The events addressed issues such as how long milk must be boiled to be safe, how much milk children should drink every day, and also introduced the participants to a variety of dairy products such as pasteurized milk, cheese and yoghurt. AGP-LMD developed brochures, posters, educational guides and T-shirts around these core messages that were distributed at the events. In addition, the students drew posters, wrote poems, sang songs, and performed dramas with milk themes to reinforce the core messages. The School Milk Days were an engaging way to teach students and families about the importance of using milk as part of a healthy, balanced diet.

The School Milk Day events were also an opportunity to draw attention to milk and thereby promote milk production, consumption and marketing. Private milk producers and cooperative members proudly displayed their dairy cows at the schools and shared their experiences on the challenges and opportunities of milk production and marketing. Dairy processors talked about their products and their companies' commitment to producing high quality-dairy products.

At 19 liters per annum, per capita, Ethiopia's annual milk consumption is well below the world average of 105 liters and the African average of about 40 liters.¹The Milk Day events are anticipated to increase per capita consumption, thereby improving the populations' nutrition and increasing the market for dairy value chain.

AGP-LMD, together with other partners, celebrated World Milk Day in June, 2014. The event was celebrated nationally through the televised Q&A Quiz Show Program, and local events in Hawassa and Bahir Dar. (Activity 1.2.8.4). The theme for World Milk Day activities was to "*drink safe & nutritious milk.*" The event activities educated the public about the nutritious benefits of drinking milk and the requirement of boiling or pasteurizing milk to make it safe. (Right: World Milk Day Celebration in Hawassa)



USAID's AGP-Livestock Market Development Kicked off School Milk Day Events

On November 21, 2013, the USAID-funded Agricultural Growth Program-Livestock Market Development (AGP-LMD) project launched a series of School Milk Day events in Ethiopia at Wushawushign Primary School in the Amhara region of the Basonaworan district. The opening event, the first of its kind for the region, brought together delegates from USAID, the Organization for Rehabilitation and Development in Amhara (ORDA), staff members of the USAID-funded AGP-LMD, the district administrator, milk producers and processors, the regional media, elders, students, parents and other invited guests.

Activity Description	Value Chain	Indicator	Target (July 1, 2013-June 30,2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
			M	F	Tot.	M	F	Tot.		
COMPONENT 2: IMPROVE THE PRODUCTIVITY AND COMPETITIVENESS OF LIVESTOCK VALUE CHAINS										
1.2.8 Increase Domestic Consumption of Dairy Products										
1.2.8.1 Increase awareness of nutritional importance of dairy consumption via publications & multimedia materials, including utilizing IEC materials and IR3 staff expertise to expand access to IR3 dietary diversification campaigns	Dairy	type of promo.	na	na	3	na	na	3	Completed	
1.2.8.2 Participate in school milk day events	Dairy	# events	na	na	15	na	na	14	Completed	
1.2.8.3 Provide technical and marketing assistance for milk outlets/shops	Dairy	# shops	na	na	8	na	na	0	Ongoing	Consultants contracted & work initiated.
1.2.8.4 Participate in World Milk Day	Dairy	# events	na	na	1	na	na	3	Completed	

IR1: STRATEGY 9 - WOMEN ENTREPRENEURSHIP AND LEADERSHIP DEVELOPMENT

In Strategy 9, AGP-LMD develops women entrepreneurs in the livestock sector and works to create a more enabling environment for these women to successfully operate. While female participation in livestock labor activities is quite high, women are under-represented in business and marketing activities—particularly in leadership positions.

The AGP-LMD Women Entrepreneurship and Leadership training program consists of five separate training modules that address business management and leadership skills in an incremental way, enabling the women to apply each of their new skills and then return for an additional training within another month. These training sessions were conducted in the four regions by an AGP-LMD consortium partner, TREG Consult, and were followed by local study tours in which the trained women were able to see successful examples of other livestock business activities and successful women role models. 104 women successfully completed this rigorous program in the 2013/4 period.

AGP-LMD recently conducted an evaluation of the Women Entrepreneurship and Leadership Training Program. Two elements of the training activity were identified as being key successes: 1) the repeated nature of the training with follow-up (five training modules and follow-up study tour), and 2) day care services for the women's children during the training activity.

The major outcomes of the evaluation are that the women participants have adopted the following practices:

- Women applied USAID assistance to develop new techniques, including:
 - New technology, such as artificial insemination services and mobile telephones;
 - New business management practices, such as record keeping, and calculating their profit and loss;
 - Prepared business plans and then used them to request land, or loans; and
 - Implemented improved livestock management practices that have improved their income.
- Women increased their knowledge about nutrition and the importance of dietary diversification. As a result, they reported that they have started diversifying their family diet. Some reported that they have started or increased their effort to grow vegetables in their backyard. Many of the women reported starting to use milk for their family consumption.
- Women improved their leadership skills and appreciation of gender-equity, and as a result have:
 - Changed their leadership style; and/or
 - Changed their gender relation in their house with their children and husband. Women reported that they have started to treat their daughters and sons equally and have become assertive in their relationship with their husband, regarding household decision making.



Graduating class of women entrepreneurs

AGP-LMD also conducted gender mainstreaming training for 28 AGP-LMD staff and implementing partner staff as part of Strategy 9 activities. This training was very effective at helping the staff evaluate their past activities with an eye to gender, and was then applied while developing the 2014/5 AGP-LMD Work Plan. AGP-LMD also invited 16 human resources staff from livestock value chain businesses to participate in a customized version of this training that focused on evaluating women's role in the workplace, nurturing women's skills, promoting women, and addressing sexual discrimination and harassment.

‘A Timely and Complete Training’

Almaz Delgebal, the 35-year-old mother of six, from Silite zone of SNNPR, was able to immediately apply the skills she gained from the Women Entrepreneurship and Leadership Training within a recently formed dairy coop in her village. “I organized 15 women to establish the cooperative, and then we received three heifers from the Agricultural Growth Program that we are using to generate income from the milk and milk products. I have learned many things about business management and leadership from the USAID AGP-LMD Women Entrepreneurship and Leadership training. I am very eager to apply what I learned and also to share these skills with the other members,” said Almaz. She noted that the training considered the special needs of women, noting that, “To those of us with young children, the training provided child care service, and my child was well taken care of. For this I gave my full attention to the training, and I am grateful.”

Following the training, Almaz participated in a visit to a Biogas production site and she said, “During the study tour in *Holeta* seeing livestock waste being used for electricity was like seeing a ‘miracle’ to me. From now on the cooperative members and I will give as much value to the cows’ waste as we do to other livestock products.”

“To those of us with young children, the training provided child care service, and my child was well taken care of. For this I gave my full attention to the training, and I am grateful”



‘Changing lives’

The case of abonesh gulema

In the three months since USAID’s AGP-LMD project graduated 104 women entrepreneurs from an intensive entrepreneurship and leadership development training program, AGP-LMD met up with one of the graduates, 35 year old Abonesh Gulema. Abonesh lives in the capital of the SNNPR region of Ethiopia, the thriving city of Hawassa, where she had been selling milk through her small milk shop. Abonesh’s dream is to expand her business and to also have her own cows so she can produce her own milk. However, Abonesh saw little opportunity to pursue her dream as an HIV positive woman. Nevertheless, Abonesh had the courage to sign up for the AGP-LMD women’s entrepreneurship and leadership training when it was offered in her area.

During a recent follow-up visit, AGP-LMD learned that Abonesh has now begun to retail additional products at her milk shop, including local bread (*injera*), yoghurt, macchiato, local cheese, butter, soft drinks and traditional Ethiopian coffee. “Before attending the training I used to think that selling other products along with the milk would make me lose focus; but after the training, I got the courage to retail other products and now I am earning more income,” said Abonesh. “Because of the current fasting season, the 15-20 liters of milk I usually sell decreased to 4-5 liters. As a result of the other products that I am currently selling, the fasting season’s impact on my income is not much,” said Abonesh. “Before the training I used to think that saving was the only means to meet my dream. I had saved 2,400 Birr, but after the training, I invested 400 Birr to buy an efficient *injera* baking appliance. Because of this, the fire wood consumption for baking *injera* is reduced by three-fold, and this results in more profit, which is helping me build my savings more rapidly,” explained Abonesh.

“In the long-term, my plan is to also establish a dairy farm that would involve my sisters and my son to make them independent,” said Abonesh who dropped out of school in the seventh grade as a result of her parents’ divorce. Abonesh then married early and worked on-and-off as a housemaid. During this time, she was infected with HIV. As the oldest child in her family, she has primary responsibility for her mother and siblings, despite her meager earnings and HIV status. Abonesh remains positive about her future and believes that as long as she continues applying what she learned from the training, she will change her family’s and her community’s livelihoods for the better.

Activity Description	Value Chain	Indicator	Target (July 1, 2013-June 30,2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
			M	F	Tot.	M	F	Tot.		
COMPONENT 2: IMPROVE THE PRODUCTIVITY AND COMPETITIVENESS OF LIVESTOCK VALUE CHAINS										
1.2.9 Women Entrepreneurship and Leadership Development										
1.2.9.1 Identify women entrepreneurs for LMD assistance	MLA	# women ID'd	0	80	80	0	0	80	Completed (target exceeded by 25%)	Identification initiated for next training group
	Dairy		0	80	80	0	0	120		
1.2.9.2 Conduct capacity need assessment of identified women	MLA	# women assessed	0	80	80	0	0	80	Completed (target exceeded by 25%)	Assessment survey & procedures initiated for next group
	Dairy		0	80	80	0	0	120		
1.2.9.3 Adapt business, technical and leadership training modules. Include education on nutrition and HIV/AIDS.	MLA	# of modules	na	na	1	na	na	3	Completed (target exceeded by 250%)	Trainer contracted for next training activity and for upgrades to training modules
	Dairy		na	na	1	na	na	2		
1.2.9.4 Conduct business, technical and leadership training, including education on nutrition and HIV/AIDS.	MLA	# of trainees	0	115	115	0	41	41	Completed for	104 women, with 5 separate trainings for each participant (520 trainees). Next training group will start in next planning year
	Dairy		0	120	120	0	63	63		
1.2.9.5 Conduct study tours and experience sharing	MLA	# of participants	0	80	80	0	41	41	Completed (65% of target met)	All trained women participated in customized study tours
	Dairy		0	80	80	0	63	63		
1.2.9.6 Provide coaching to women entrepreneurs	MLA	# women coached	0	115	115	0	0	0	Ongoing	Delayed to July due to contracting issues
	Dairy		0	120	120	0	0	0		
1.2.9.7 Evaluate new technologies with special application for women entrepreneurs in the livestock value chains	MLA	# diagnostic studies	na	na	1	na	na	0	Ongoing	Action memo declined by USAID. New consultant being recruited.
	Dairy		na	na	1	na	na	0		
1.2.9.8 Disseminate information on women-appropriate technology or practices to women entrepreneurs in the livestock value chains	MLA	# women receiving info.	0	300	300	0	0	0	Postponed to next planning year	Activity delayed until specific technologies are identified (1.2.9.7)
	Dairy		0	600	600	0	0	0		
1.2.9.9 Conduct gender mainstreaming trainings for LMD staff, IPs, and targeted beneficiaries	na	# trainees	27	13	40	0	0	28	Completed	(70% of target met)
1.2.9.10 Evaluate livestock appropriate lending products considering the special needs	MLA	# diagnostic studies	na	na	1	na	na	1	Completed	Target Met
	Dairy		na	na	4	na	na	4		
1.2.9.11 Evaluate market information activities/technologies for effectiveness in	MLA	# diagnostic studies	na	na	4	na	na	0	Completed	
	Dairy		na	na	0	na	na	0		
1.2.9.12 Select and promote successful women entrepreneurs during MSPs as "women of the quarter"	MLA	# women selected	0	16	16	0	5	9	Completed	56% of target met
	Dairy		0	16	16	0	5	9		

COMPONENT 3: SPUR INVESTMENT AND INNOVATION

IR 1: STRATEGY 10 - STIMULATE INVESTMENTS AND ACCESS TO FINANCE THROUGHOUT THE VC

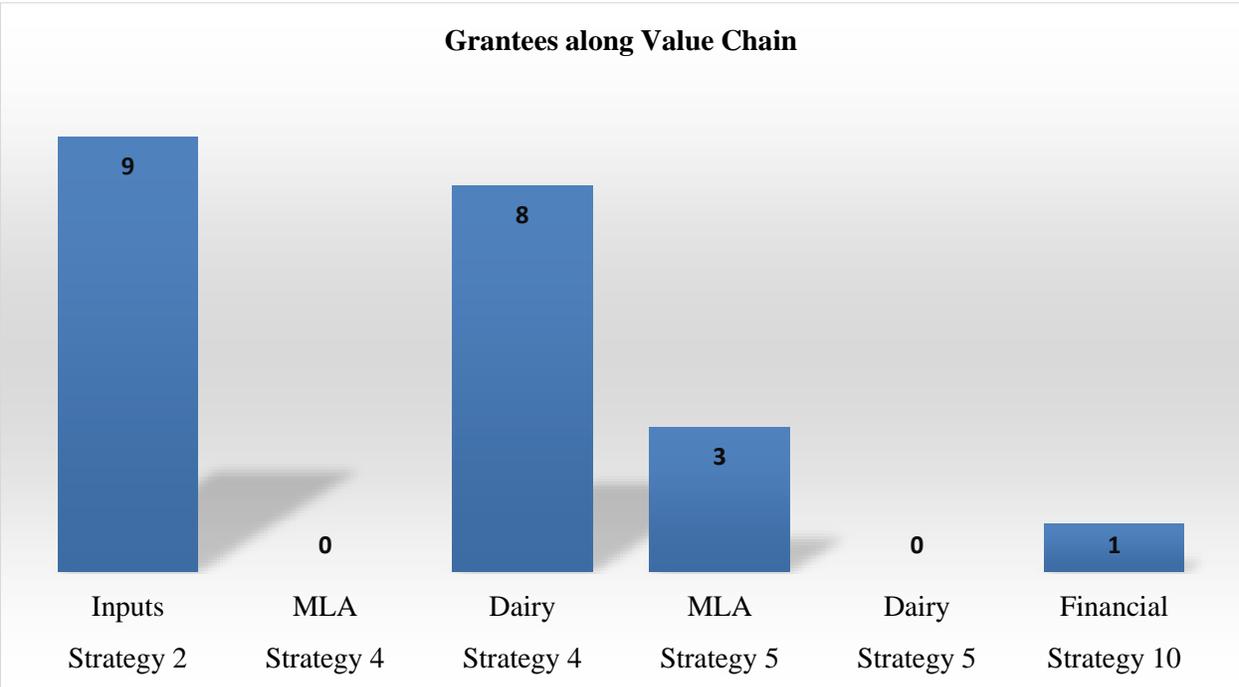
AGP-LMD's Strategy 10 activities are focused on improving livestock value chain businesses' access to finance, either as debt, equity or grants. Access to finance is a major constraint for businesses in Ethiopia as a whole, but is even more challenging for livestock-related businesses which are often viewed as higher risk in comparison to business sectors that the banks are more familiar with.

Innovation Grants

AGP-LMD has a 5.5 mil USD Innovative Grant Fund focused on improving productivity, competitiveness, and profitability within livestock value chains, specifically for innovative activities that may be too risky to secure 100% debt or equity financing.

AGP-LMD issued two RFAs to receive Innovative Grant Fund Applications during the 2013/4 period. The first RFA generated 78 applications, while the second RFA generated 155 applications. Selection committees reviewed these applications in compliance with the AGP-LMD Innovative Grants Fund Manual, pre-selecting 28 and 52 applications, respectively (approximately 30%). The pre-selected applications from the first RFA were then further developed and evaluated, which resulted in 21 potential grantees that met the requirements of compliance and other programs. Six of these grants are now in active implementation, while the remainder are at various other stages of development.

Highlights of the selected grants are included in previous sections of this report, based on the specific AGP-LMD strategy that they address. Within the first RFA, many of the awarded grants address the issue of input supply and service provision to livestock producers. Some of the grantees are input supply companies (Strategy 2), while others are dairy processors that will be initiating embedded service provision (Strategy 4), abattoirs or butcher shops that will provide improved slaughter and meat processing services (Strategy 5), or companies that will pilot mobile banking for livestock lending products (Strategy 10). The distribution of the initial 21 grants is shown in the chart below.



The pre-selected 52 applicants from the second RFA will be further vetted for compliance and program requirements in the first Quarter of the coming year. AGP-LMD anticipates awarding grants to approximately 40 to 45 of these applicants, which will substantially commit the AGP-LMD Innovative Grants Funds. Additional RFAs will be issued in the future as required.

Access to Commercial Finance

AGP-LMD assisted several businesses in their efforts to access commercial financing and equity during the Quarter. AGP-LMD regularly receives business plans from businesses throughout the livestock value chains. These businesses, and their business plans, are at varying degrees of sophistication. While some businesses are start-ups with very little collateral or business acumen, others are medium-sized businesses that already operate within successful businesses in non-livestock sectors, but who see an opportunity to initiate a livestock business. AGP-LMD meets individually with each business, compromises with the business on areas of support and joint objectives, and then implements a plan of action with them. As part of these action plans:

- AGP-LMD has linked five businesses² to AgInvest Equity Fund and Precise Consult equity facilitation activities. One business, Life Agro, is close to closing an equity investment from a US investor via AgriInvest. AGP-LMD first developed a professional, onepage business profile for each business, provided the profile to potential equity investors, and then followed-up to answer questions about the industry and specific businesses.
- AGP-LMD assisted 25 businesses to upgrade their business plans. AGP-LMD consortium partner, Precise Consult, and individual consultants provided this assistance. The primary deficiency in these business plans was a full set of financials that stated the assumptions and included a profit/loss statement, balance sheet, and cash flow for a 3–5 year period (a standard requirement for an equity investor and must be provided as an electronic model for analysis during the initial stage of due diligence).

- AGP-LMD taught 242 livestock businesses how to develop business plans. These businesses are involved in fattening livestock, commercial dairy production, and other facets of livestock activities. AGP-LMD consortium partner, BCAD Ltd, and international experts conducted this training.
- AGP-LMD linked and/or supported the credit applications of 100 livestock businesses to financial institutions. AGP-LMD has developed relationships with a core group of banks through participation in AGP-LMD activities.
- With the objective of encouraging business-to-business financial relationships among value chain actors, AGP-LMD conducted Value Chain Financing Advisory Sessions with 161 Value Chain actors in all four project regions. During the sessions, several options for value chain financing were discussed and the businesses shared their experiences with providing credit terms, altering payment terms. Participants also shared their experiences and challenges with regard to their financing relationships with raw material suppliers and buyers of their products.
- AGP-LMD issued eight loan guarantees (8.9 mil USD) through the USAID/Development Credit Authority (DCA) partnership with six local private banks to provide partial loan guarantees for a portfolio of borrowers meeting DCA criteria. Four of these loans were approved in the 2013/4 period (916,495 USD). Signatory banks include the Bank of Abyssinia, Nib International Bank, Oromia International Bank, Cooperative Bank of Oromia, Dashen Bank, and Zemen Bank. The DCA guarantees 50% of the loan to Small and Medium Enterprises (SMEs) operating in select areas, including livestock.
- AGP-LMD facilitated the participation of three livestock businesses and two project staff at the Global AgInvesting Forum held in London, Dec. 3-5, 2013. The delegation's participation was intended to attract foreign investment to the attending businesses and the overall livestock sector in Ethiopia. The participation also served to sensitize European and US investors to opportunities in the livestock sector of Ethiopia. Additionally, AGP-LMD participated in a panel on "Opportunities in African Agriculture", promoted investment opportunities in the Ethiopian livestock sector, and established contacts and relationships with various private and institutional investors, agri-businesses, and development funds.
- AGP-LMD conducted an assessment of current lending products and their applicability for livestock and women. This assessment was conducted by international expert, Tanner Chaiken, and a local financial expert. Mr. Chaiken recommended a total of eight new financial products and services for AGP-LMD's value chain businesses, with special attention to women's access.
- AGP-LMD also conducted a series of workshops for 100 bank and MFI staff on loan appraisal practices, risk assessment for livestock loans, and other pertinent practices. Banks and MFIs in Ethiopia do not have significant experience lending to the livestock sector, in part because they lack the experience to accurately evaluate the loan applications. As a result of this training, the participating banks and MFIs gained new loan appraisal and risk-assessment skills that will enable them to more effectively evaluate livestock loans and thus increase lending to the livestock sector.

Ethiopia Investment Week

During the week of May 12, 2014, AGP-LMD leaders, a delegation of high-level representatives of the Government of Ethiopia officials, and private sector representatives visited the United States to engage in dialogue about trade and investment opportunities in the Ethiopian livestock industry.

The Ethiopian Delegation was strategically selected to educate international meat and dairy industry businesses on the Ethiopian business and investment climate in general, as well as to engage in discussions related to business opportunities within Ethiopia's livestock sector.



The delegates included:

- Deputy Director General of the Ethiopian Investment Agency – Likelesh Abay
- Acting Vice Governor, National Bank of Ethiopia – Elias Laho
- Vice President, Development Bank of Ethiopia – Girma Workie
- President, Ethiopian Chamber of Commerce – Mulu Solomon
- Chief of Party, AGP-LMD – Marc Steen
- Senior Policy Advisor, AGP-LMD – Wondwossen Asfaw
- Finance and Investment Advisor, AGP-LMD – Amdework Berhanu

The activities included a trade and investment webinar and targeted meetings with relevant US government bodies such as the United States Department of Agriculture (USDA), Foreign Agricultural Service (FAS), and stakeholder networks such as the National Cattlemen’s Association, AGCO, and the Global Cold Chain Alliance. Activities also involved meetings and visits to private businesses such as the Maryland & Virginia Milk Producers Cooperative. These events facilitated dialogue and forged business relationships between livestock industry enterprises and key private and public stakeholders in the Ethiopian livestock industry. The activities have helped identify businesses and networks that are interested in participating in follow-up, business-to-business trade and investment meetings in Ethiopia. These meetings will be facilitated by AGP-LMD over the coming six months.

USAID’s AGP-LMD Facilitated Almi Fresh Milk Processor’s Access to 340,000 USD Loan from Development Bank

USAID’s AGP-LMD’s support to Almi Milk Processor of Hawassa (SNNPR) enabled the company to secure a 6.8million Birr loan (340,000 USD) from the Development Bank of Ethiopia to expand its milk processing capacity by 130%.

The loan was approved in December 2013 after the business struggled for two years to reach an agreement with Ethiopia’s Development Bank. USAID’s AGP-LMD advised Almi on how to make the project expansion document more appealing to the bank and developed a technical support agreement with Almi to improve the business’ chance of success.

According to Asmamau Taffesse, the owner and manager of Almi, the support from AGP-LMD for the approved loan is one of the many ways that his company has been benefiting since it started working with AGP-LMD. Asmamau views the release of the 6.8million Birr from the bank among the company’s key opportunities to achieve its goal; to link the milk from farmers in his community to a wider and diverse market. “Since Almi’s establishment nine years ago, the major positive change that my company experienced is after it started to work with AGP-LMD. Before I used to ask different organizations for support and what I got were only promises. AGP-LMD’s support is different as whatever planned was realized,” Asmamau explained.



Asmamau Promoting Almi’s Dairy Products during School Milk Day Event Organized by AGP-LMD in Hawassa.

Addressing systemic bottlenecks to debt financing for livestock businesses in Ethiopia

AGP-LMD's sector wide assessments at the start of the project had shown limited flow of debt capital to livestock businesses. The various reasons for this were identified during the analytics process and guided AGP-LMD's overall intervention in improving access to finance for livestock businesses. In addition to the general shortage of liquidity in the domestic banking sector, there were some underlying/systemic constraints specific to the livestock sector and Small and Medium Enterprises (SMEs), which prevented access to credit for livestock businesses. AGP-LMD has methodically and consistently worked to address many of the underlying/systemic constraints to debt financing in the livestock sector.

Addressing the issue of insufficient collateral: Livestock businesses (many of them SMEs) often lack the collateral, credit history, or bank-borrower relationships needed to access credit from banks. Female entrepreneurs who culturally do not hold title deeds or own assets are even more impacted by this than their male counter-parts. AGP-LMD has successfully leveraged the USAID/Development Credit Authority Loan Guarantee Program to overcome the issue of insufficient collateral and encourage banks to establish lending relationships with livestock entrepreneurs, which banks used to view as extremely risky.

Bridging the awareness and knowledge gap: Banks are not encouraged to lend to livestock businesses partly due to lack of knowledge and awareness about the livestock sector. Many of the banks do not have specialized agri-business experts as credit and risk analysts. This capacity has remained undeveloped due to continued focus on lending to industry and service sectors. In the early stages of the project, AGP-LMD learnt that bank staff lacks the knowledge and skills to appropriately evaluate assets, risks, and returns of a livestock business. Bank staff often underestimated the value of livestock assets as collateral or the potential of the business for profit – unfavorably skewing the loan approval decision away from livestock businesses. AGP-LMD worked aggressively on tackling this problem by undertaking various trainings and workshops on livestock value chains, value chain financing, loan appraisal and risk management techniques for livestock. This was seen to be successful in that the banks that actively participated in AGP-LMD capacity building programs were more inclined to lend to livestock businesses throughout the year.

Addressing weaknesses in financial and business management of livestock VC actors: Banks perceive livestock businesses as extremely risky; not only because of banks' lack of knowledge of the livestock sector, but also because of what banks do know and understand about the nature of the livestock business and the many informal and semi-formal operators involved in the sector. Consequently, banks see weaknesses in how small and medium livestock enterprises manage their overall business and finances. In addition, these operators and (particularly female) entrepreneurs face difficulties in dealing with the formal application procedures of the banks. They often fail to furnish proper business plans, acquire trade and investment licenses, and audit financial reports when requested. AGP-LMD provided hands-on business and management advisory services to livestock businesses to help them prepare a full loan application package, revise/upgrade their business plans, and put in place appropriate financial management and control systems.

Activity Description	Value Chain	Indicator	Target (July 1, 2013-June 30,2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
			M	F	Tot.	M	F	Tot.		
COMPONENT 3: SPUR INVESTMENT AND INNOVATION										
1.3.10 Stimulate Investments and Access to Finance throughout the VC										
1.3.10.1 Use innovation grant funds to strengthen the value chain businesses supported by IR1: Component 2										
1.3.10.1.1 Identify priority investment areas for grant funding	MLA	# of investment areas	0	0	0	na	na	0		Coops and Women Entrepreneurs added to previous priority areas
	Dairy		0	0	0	na	na	0		
1.3.10.1.2 Conduct training on USAID regulations and management of grant funds	MLA	# trainees	18	8	26	0	15	66	Completed (Target exceeded by 423%)	Target exceeded to improve women participation.
	Dairy		na	na	0	na	na	70		
1.3.10.1.3 Conduct outreach campaign on identified priority investment areas through	MLA	# campaigns	na	na	4	na	na	8	Completed (target exceeded by 100%)	
	Dairy		na	na	0	na	na	0		
1.3.10.1.4 Support development of grant proposals with lead firms	MLA	# firms	na	na	13	na	na	21	Completed (target exceeded by 144%)	Assistance provided by trained BDS providers and LMD staff
	Dairy		na	na	12	na	na	40		
1.3.10.1.5 Receive grant proposals	MLA	# proposals	na	na	75	na	na	118	Completed (target exceeded by 55%)	Exact number of qualified proposals received April 30, 2014 is estimated here.
	Dairy		na	na	75	na	na	115		
1.3.10.1.6 Conduct pre-award evaluative assessments (capacity, environmental)	MLA	# assessments	na	na	75	na	na	66	Complete	Targete substantially met (90%)
	Dairy		na	na	75	na	na	70		
1.3.10.1.7 Review & Score grant proposals	MLA	# apply . scored	na	na	75	na	na	96	Completed	Target exceeded
	Dairy		na	na	75	na	na	100		
1.3.10.1.8 Conduct final review and approval of grant proposals by CNFA HQ and USAID/Ethiopia	MLA	# proposals	na	na	75	na	na	3	Ongoing (target revised to 50 - 60 grantees versus 150)	Environmental approval by USAID received for next 5 grantees
	Dairy		na	na	75	na	na	5		
1.3.10.1.9 Sign grant agreements	MLA	# agreements	na	na	75	na	na	2	Ongoing (target revised to 50 - 60 grantees versus 150)	
	Dairy		na	na	75	na	na	5		
1.3.10.1.10 Disburse funds and begin grant project implementation	MLA	# disbursed	na	na	75	na	na	1	Ongoing (target revised to 50 - 60 grantees versus 150)	ALPISS & Emebet 1st disbursements made
	Dairy		na	na	75	na	na	2		
1.3.10.1.11 Provide grant information/updates at MSPs	MLA	# MSPs	na	na	16	na	na	2	Ongoing	Target will not be met
	Dairy		na	na	0	na	na	0		

Activity Description	Value Chain	Indicator	Target (July 1, 2013-June 30,2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
			M	F	Tot.	M	F	Tot.		
COMPONENT 3: SPUR INVESTMENT AND INNOVATION										
1.3.10 Stimulate Investments and Access to Finance throughout the VC										
1.3.10.2 Stimulate investment, credit & finance throughout the value chains										
1.3.10.2.1 Link livestock businesses to equity investors	MLA	# firms	na	na	4	na	na	2	Ongoing	Procurement in process
	Dairy		na	na	4	na	na	3		
1.3.10.2.2 Assist value chain businesses in preparing and upgrading business plans	MLA	# firms assisted	na	na	25	na	na	6	Ongoing	(50% complete)
	Dairy		na	na	25	na	na	19		
1.3.10.2.3 Conduct business plan training for value chain businesses	MLA	# trainees	na	na	120	na	na	121	Completed	
	Dairy		na	na	120	na	na	121		
1.3.10.2.4 Link value chain businesses with financial institutions	MLA	# firms linked	na	na	28	na	na	48	Completed	(target exceeded by 79%)
	Dairy		na	na	28	na	na	52		
1.3.10.2.5 Provide technical assistance to encourage financial relationships among value	MLA	# firms assisted	na	na	55	na	na	70	Completed	(target exceeded by 46%)
	Dairy		na	na	55	na	na	91		
1.3.10.2.6 Training and awareness raising for financial institutions (introduction to livestock, loan appraisal, finance & gender)	MLA	# trainees	70	30	100	25	10	77	Completed	Loan appraisal training conducted in June (Target met)
	Dairy		na	na	0	na	na	23		
1.3.10.2.7 Link value chain businesses to credit guarantee programs	MLA	# firms linked	na	na	6	na	na	3	Completed	66% of target completed
	Dairy		na	na	6	na	na	5		
1.3.10.2.8 Develop mobile banking solutions for livestock value chain businesses (detailed activities in ICT section)	MLA	# applications launched	na	na	4	na	na	0	Ongoing	Kifiya grant will create 4 new applications
	Dairy		na	na	0	na	na	0		
1.3.10.2.9 Support the development of tailored financial products for the livestock sector with special focus to gender	MLA	# products	na	na	1	na	na	2	Completed	Target exceeded
	Dairy		na	na	1	na	na	1		
1.3.10.2.10 Attend & sponsor participation of businesses at international investment forums	MLA	# participants	7	3	10	2	0	4	Completed	(target revised to 10 versus 20 due to cancelled Rwanda Trip)
	Dairy		7	3	10	3	0	5		
1.3.10.2.11 Organize national/regional investment forums	MLA	# forums	na	na	4	na	na	0	Ongoing	First Consult initiated activities in May, but actual forums will be conducted in Sept.
	Dairy		na	na	0	na	na	0		
1.3.10.2.12 Provide technical support to cooperatives to build their capacity in providing financial services	MLA	# coops	na	na	4	na	na	0	Postponed	Postponed until coop leadership/governance capacity is improved
	Dairy		na	na	6	na	na	0		

COMPONENT 4: IMPROVE THE ENABLING ENVIRONMENT OF LIVESTOCK VALUE CHAINS

Overview

AGP-LMD is working together with livestock value chain stakeholders to address critical enabling environment constraints affecting the value chains. These critical constraints were flagged at different forums, such as the Multi-Stakeholder Platforms (MSPs), and highlighted in the Value Chain Analysis and Policy Assessment conducted by LMD. AGP-LMD believes that, to attain the GTP targets set by the government, it is crucial to enhance productivity and competitiveness in dairy, meat and live animal value chains. Productivity and competitiveness can only be achieved by improving the enabling environment so that the private sector can participate and operate optimally. AGP-LMD is also engaged with public and private institutions to enhance their capacity in policy formulation, enforcing regulatory frameworks and providing adequate services. By doing so, AGP-LMD will be playing a catalytic role to help decrease the cost of doing business in the dairy, meat and live animal value chain by 15% by the end of the project period. LMD realizes that policy reform is a protracted and slow process but also understands the need to work with the stakeholders to alleviate constraints.

The government of Ethiopia has made major structural changes to facilitate the development of the livestock industry by establishing the State Ministry of Livestock under the MoA, the State Ministry of Agro-processing Industries under the MoI and an organization of livestock agencies in three regions. The government also enacted a Live Animals and Hide/Skins Trading Proclamation, which AGP-LMD contributed to from the initial drafting stage until the final enactment. These major steps are anticipated to result in the transformation of the livestock sector and help improve the enabling environment.

Summary of Top Results

AGP-LMD has conducted two studies, the Business Enabling Environment (BEE) study and the Capacity Gap Assessment study. These two studies were used as inputs for designing the policy reform and capacitybuilding strategies and activities of the project. LMD has also conducted a scoping study on the Livestock Identification and Traceability System (LITS), the Live Animal Transport System using dedicated trucks, and the Public Private Partnership (PPP) Management Model for quarantine stations, livestock markets and abattoirs.

AGP-LMD has strengthened the coordination of actors in the two value chains by organizing regional- and federal-level multi-stakeholder platforms (MSPs). All MSPs have selected leaders and policy champions who can table policy issues for discussion and push for reforms to alleviate constraints in the value chains. Seventeen MSPs were organized during the reporting period, both at the federal and regional level. The MSPs deliberated on critical issues such as land, taxation, access to finance, privatization of veterinary and slaughtering services, the new live animal proclamation and specific regional issues. As a result of these continuous deliberations, the authorities in the Amhara region have started to address some of the constraints affecting the value chain actors: Feedlot operators in Gondar have been allotted new pieces of land, and dairy processors have been able to secure loans from the banks and are completing the formalities to get land for expansion of their investment. In SNNPR, authorities have facilitated the import of dairy processing machines duty free from an Indian investor.

IR2: STRATEGY 1-FACILITATE AND EMPOWER STAKEHOLDERS FOR POLICY REFORM AND ADVOCACY

Key Activities behind the Top Results

AGP-LMD was successful in the last project year in tabling a number of policy issues at the regional and federal level MSPs, the Private Sector Development Taskforce (PSDTF) ad hoc committee, the Livestock Technical Committee and the Livestock Master Plan development meetings.

The key policy issues tabled and discussed were as follows:

1. Institutional changes supporting the sub-sector
2. Allocation or delineation of land for livestock investment in and around bigger towns in four regions, including Addis Ababa
3. The issue of tax and VAT on livestock production inputs and products (feed and dairy products)
4. The new proclamations to regulate livestock trading
5. Privatization of slaughtering and veterinary services
6. Access to finance

Proclamations and Regulations

With the aim of supporting the MoA in creating an enabling environment for the value chains, AGP-LMD is working closely with the MoA in drafting two important proclamations. These are:

1. A proclamation for the establishment of the Veterinary Council of Ethiopia and the regulation of veterinary and para-professions. This proclamation is extremely vital to the rationalization and privatization of veterinary services. The Veterinary Council will be a statutory body that controls the quality of the profession and the services.
2. A proclamation for the regulation of animal health, welfare and veterinary public health. This draft proclamation encompasses the prevention and control of livestock diseases, import and export regulations, the safety of primary livestock products, animal identification and traceability, the regulation of laboratory services and animal welfare.

In addition to the above engagement on drafting proclamations,

3. LMD is working with the MoA and dairy stakeholders to establish the Ethiopian Dairy Board. A draft working document on the board was produced and presented to the MoA for further consideration. The establishment of the Ethiopian Dairy Board is one of the major activities planned by the MoA in the GTP2 currently under development.
4. LMD is supporting the Oromia Urban Land Development and Management Agency in developing standards on land size, location, lease period, etc., for livestock-related investment. The agency has prepared draft guidelines that are ready for the regional council's endorsement. LMD helped the agency to present the draft guidelines at the Oromia MSP for discussion and feedback from the stakeholders.

Preparation of policy briefs

AGP-LMD has prepared two policy briefs. The first was prepared based on the findings of the BEE study. The study outcome and the policy brief were presented to the first federal-level MSP participants. The second brief was an analysis of the implications of the Live Animals Trading Proclamation, opportunities and constraints for the livestock sector and possibilities for influencing the

implementation instruments (the guidelines and procedures). The recommendations of the analysis were presented to USAID and passed on to the MoT for their consideration during the preparation of regulations and implementation guidelines.

Two additional policy briefs, on the benefits of a Livestock Identification and Traceability System (LITS) and on the Privatization of Animal Health Services, are being prepared in consultation with the MoA.



The first federal-level MSP discussing the BEE report

Activity Description	Unit	Target (July 2013-June 2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
		M	F	Tot.	M	F	Tot.		
COMPONENT 4: IMPROVE THE ENABLING ENVIRONMENT OF LIVESTOCK VALUE CHAINS									
2.4.1 Facilitate and Empower Stakeholders for Policy Reform and Advocacy									
2.4.1.1 Organize consultative meetings to update additional stakeholders for MSPs and policy champions	# meetings	na	na	5	na	na	9	Completed	MSP Leaders met to identify policy issue
2.4.1.2 Conduct consultative meetings to identify groups of policy champions	# meetings	na	na	5	na	na	6	Completed	
2.4.1.3 Organizing update meeting to get more policy champions (individuals, institutions)	# meetings	na	na	1	na	na	1	Completed	
2.4.1.4 Organize workshops and meetings to create awareness on policy gaps on livestock value chains -presentation of BEE study results	# workshops	na	na	1	na	na	1	Completed	
2.4.1.5 Identify additional policy and institutional gaps (at Federal level)	# assessments	na	na	1	na	na	1	Completed	
2.4.1.6 Organize experience sharing study tour (within country- to Tigray) for policy experience on land allocation for agri-business and to Oromia region on livestock supply, processing and market linkages)	# participants	28	12	40	20	0	20	Completed	20 attended
2.4.1.7 Organize small core group meetings to identify critical policy entry points and organize dialogue for influencing policy making and enforcement									
2.4.1.7-1 Conduct meetings to initiate dialogue on commercialization and privatization of animal health and slaughtering services	# meetings	na	na	3	na	na	11	Completed	
2.4.1.8 Present policy briefs and decide on follow up actions- by conducting Enabling Environment findings review meetings	# policy briefs	na	na	1	na	na	2	Completed	
2.4.1.9 Provide technical assistance in analyzing/reviewing Policies/Regulations/Administrative Procedures at different stage (Live animals marketing proclamation, hides and skins marketing system proclamation, VAT issues related to feed, dairy board establishment)- through 5 STTA (national)	# Policies/Regulations/ Administrative Procedures reviewed/analyzed	na	na	6	na	na	7	Ongoing	LMD is working with MoI and MoA on policies and guidelines

Capacity Gap Assessment Study

SNV, the implementing partner of AGP-LMD, hired a national consultant to conduct the capacity needs assessment of the public sector. The consultant carried out extensive interviews and discussions with regional and federal authorities to identify capacity gaps in the livestock sector pertaining to the development of the value chains. The draft report by the consultant was presented to LMD staff for comment. LMD IR leaders and value chain leaders provided important feedback to enrich the findings of the report. A professional editor edited the final report before it was circulated to relevant stakeholders. LMD conducted a series of discussions with regional and federal stakeholders, as well as government partners, on the study's outcomes to formulate next year's capacity development activity planning.

Negotiation Skills Trainings

1. International Negotiation Skills Training for Government Officials, Policy Analysts and the Private Sector

AGP-LMD held a training on international business negotiation skills for government officials, policy analysts and members of the private sector working in the livestock business on March 25-26, 2014. The 26 participants included representatives from the MoA Livestock Directorate, MoT, MoI, MoF, Ethiopian Investment Agency, Ministry of Finance and Economic Development (MoFED), and regional bureaus of livestock, as well as trade negotiation experts and LMD staff. The workshop aimed to enhance the competency and knowledge of government officials and the private sector by broadening their understanding of, and exposure to, international-level business negotiation practices. The participants have expressed satisfaction with the training and feel it has helped them in the next stages of their business deals.

2. Business-to-Business Negotiation Skills Training

Business-to-business negotiation skills training was held in four regions from June 10-12 (Tigray and SNNPR), June 17-19 (Amhara) and June 18-20 (Oromia). A total of 95 trainees (including 21 women) attended the training. Participants were from the private sector, cooperatives and public institutions working with livestock, SME development and cooperative promotion offices. According to participants' feedback, the training helped them to change and modernize their business practices and enhanced their negotiation skills. The training session was also a good opportunity for livestock actors to create business-to-business linkages.

Study Tour to Kenya

The study tour took place from December 15-20, 2013. A total of 18 participants selected from the private sector, government, dairy associations and the dairy board organizing committee participated in the tour. The participants were divided into two teams to focus on two issues during the visit:

1. One of the teams focused on Kenya's experience in creating business-to-business relationships between milk producers, cooperatives and processors. The team documented the experience of the dairy business hub model in the Tulaga dairy cooperative. This team also visited the service delivery and private input service provider's linkages with producers, in particular Sidai—a franchise model supported by the Bill and Melinda Gates Foundation.

2. The second team focused on policy and institutional issues. The team learned about and documented insights from the Kenya Ministry of Livestock, Kenya Dairy Board and dairy training institution.

Follow-up action after the visit:

Inspired by the Kenya study tour, three private sector companies, Ethio-Feed, Mama Agro-processing and ALPPIS, have taken the initiative to work with the Assella Dairy Union to establish a functional dairy hub. A site visit to the union and discussion with union members was conducted. As a result, Mama Agro submitted a proposal to AGP-LMD for a grant to establish the dairy hub and is awaiting the result. Meanwhile, Ethio-Feed has already secured a deal with the union and sold 76 quintals of feed to the union. ALPPIS is also preparing to start supplying improved genetic material to farmers in the union.

Twinning Arrangements for EMDIDI with the Indian National Dairy and Meat Technology Institute

As an initial step in organizing the twinning arrangement for EMDIDI, AGP-LMD has worked with EMDIDI to conduct discussions and visit the Leather Industry Development Institute (LIDI) to better understand the twinning concept and get experience to inform way forward. The lesson from LIDI has changed the minds of most EMDIDI staff and experts on the concept of twinning arrangement exercises.

Based on the outcomes of discussions with LIDI, EMDIDI has drafted a new concept note supported by AGP-LMD. Subsequently, AGP-LMD prepared a draft ToR for the twinning exercise, which was discussed twice with the MoI and EMDIDI. With EMDIDI's new structuring and development of a strategic plan, more extensive discussions were carried out with the State Minister of Industry, and the twinning arrangement has now been agreed upon in the joint plan developed by the MoI and AGP-LMD.

Activity Description	Unit	Target (July 2013-June 2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
		M	F	Tot.	M	F	Tot.		
2.4.2 Capacity Building for Public and Private Stakeholders									
2.4.2.1 Conduct a capacity gap assessment	# reports	na	na	1	na	na	1	Completed	
2.4.2.2 Training on negotiation skills for government officials and policy analysts (18 participants for 2 days) including federal offices	# trainees	13	5	18	0	0		Completed	
Business to business negotiation skill training	# trainees				74	21	95	This activity was not planned at the beginning	
2.4.2.3 Organize international study tour to Kenya for dairy benchmarking, mobile banking, coops, meat grading, and service provision. (4 LMD staff members, 11 from private and Government offices)	# participants	11	4	15	19	2	21	Completed	
2.4.2.4 Organize twinning arrangements for EMDTI with Indian National Dairy and Meat Technology Institute	# participants	9	3	12				Postponed	Agreed to conduct in next year
2.4.2.5 Organize consultative meeting on establishment of the dairy board	# report	na	na	1	na	na	5	Ongoing	It is under the hands of MoA

Multi-Stakeholder Platforms (MSPs) Organized

Over the course of last planning period, AGP-LMD—in collaboration with regional implementing partners (IPs) ORDA, HUNDEE, Self Help Africa and REST—organized quarterly MSPs at the regional and federal levels. A total of 17 MSPs were held. With the exception of SNNPR, the other three regions (Amhara, Oromia and Tigray) organized four MSPs, accomplishing the target set by the plan. SNNPR facilitated three MSPs and missed one because of the inability of public stakeholders to attend the MSP due to schedules and workload. AGP-LMD organized two MSPs at the federal level. The third one was supposed to take place between May and June 2014, but it could not be held because of competing schedules and the inability of stakeholders to attend.

MSP Deliberations and Outcomes

i. General

In general, all the MSPs at the regional and federal levels were successful in creating a vibrant discussion forum for stakeholders in the value chain. Government authorities also actively participated in the MSP discussions and pledged to play their part, to the extent possible, to alleviate constraints. Common issues were flagged and deliberated in all MSPs. The topics presented and discussed were:

1. Multiple taxation and VAT on dairy products and feed
2. Privatization of animal health services
3. Municipal slaughtering services
4. Veterinary privatization road map
5. Federal Animal Health Strategy
6. The role of Community Animal Health Workers (CAHWs)
7. The new Live Animal Trading proclamation
8. The successes and challenges of the national dairy breed improvement program through synchronization and mass AI services.

Some of the key outcomes, conclusions and recommendations were the following:

- Participants in all MSPs agreed that land allocation, size and the short lease period are the primary bottlenecks for livestock investment. The Tigray region experience shall be considered by the others so that land for livestock will be included in the urban and peri-urban land use planning.
- Participants at MSPs concluded that VAT on animal feed supplements is a major contributing factor to the escalation of feed costs for dairy production. The VAT issue has been studied by EMDIDI and has been brought to the attention of authorities at the Ministry of Finance and Economic Development. The Feed Association, in collaboration with AGP-LMD, is pursuing the removal or minimization of the VAT.
- The privatization of animal health services should be promoted in all regions, according to the road map, to enhance the efficiency and cost effectiveness of veterinary services. The major features of the road map are:
 - The public sector should concentrate on core functions such as regulation, as well as control of major trans-boundary diseases (TADs), surveillance, certification and inspection, quarantine and quality control of veterinary inputs.
 - The private sector delivers all private services, and eventually competition between private practices assures quality.

- Later, it is possible that contract private service providers will deliver public goods (sanitary mandate contracted scheme).
 - A Veterinary Statutory Body (VSB) should be established to regulate the profession and uphold ethics and standards.
 - The role of the CAHWs shall be limited to pastoral areas that cannot be reached by formal veterinary services. It was suggested that LMD use the resources at its disposal to support the veterinary privatization effort instead of promoting CAHWs.
- The need for mass synchronization and AI services was also highlighted at the MSPs. The success of the dairy breed improvement program through synchronization and mass AI services was emphasized. However, the results were not properly documented. Therefore, it was recommended that the breeding traceability and recording system started by the NAIC be up-scaled to the national level.
 - The Live Animals Trading Proclamation has been recognized as a bill that could modernize the livestock sector. However, some of its articles and provisions are considered as potential challenges and risks. As a result, it is recommended that the MoT and bureaus at the regional level (in partnership with LMD) create forums to raise awareness among stakeholders and to provide feedback on the implementation instruments (the guidelines and procedures).

ii. Region Specific

Amhara MSP

In the course of the year, ORDA organized four MSPs. The fourth MSP was very unique due to the high level of participation by government officials, who were invited to respond to most of the key questions raised by stakeholders in the previous MSPs. ORDA leadership was very committed to inviting these regional officials and bringing them on board.

Land availability and allocation for the livestock sector, including the very short lease period (less than five years) and access to finance, were openly discussed. The mayors of Gondar, Bahir Dar, Debre Berhan, Debre Markos and Dangila were active participants and responded to the specific questions related to their areas. The mayors encouraged the private sector to work within the provisions of the existing legal framework, which allows for a five-year lease period with the possibility of extension for 15 years. Moreover, the authorities admitted the limitations of the existing law and promised to work with all stakeholders to improve the law and solve the problems of specific individuals on a case-by-case basis. The issue of having a livestock investment standard was also discussed. Some of the private sector members face challenges during the renewal of their business licenses. The Livestock Agency admitted their limitations and requested that the Trade Bureau send them the requirements so that they can work on it. They also requested the support of LMD to prepare livestock investment standards for the region.

Oromia MSP

HUNDEE organized four MSPs in Oromia. The third MSP was held on January 24, 2014 and generated a lot of interest. The Oromia Urban Land Management and Development Agency presented its draft urban land use plan to the MSP. The draft land use plan has followed the cluster approach and subdivided the region into development corridors. One of the clusters is the livestock development corridor. Land size was specified for different kinds of livestock-related investments options.

Participants at the MSPs deliberated at length on land use and forwarded the following recommendations for the agency.

1. Hold in-depth consultations and discussions with relevant stakeholders before the plan is taken to the Oromia council for final approval.
2. Conduct a study on the land size standards for livestock-related industries.

SNNPR MSP

In SNNPR, Self Help Africa was responsible for the organization of the MSPs. During the second MSP, the dairy processors in the region held face-to-face discussions with the regional revenue authority to address their problems related to getting duty-free privileges for importing dairy processing equipment. The head of the revenue authority declared his support for the processors who are entitled to duty-free privileges and said that he will make sure their problems are solved. (As stated above, ALMI processing company was able to import dairy processing equipment duty free). At the same MSP, business-to-business linkages were successfully created between dairy producers, and feed and other input suppliers.

Tigray MSP

REST has organized four MSPs in the past year. One of the notable outcomes of the Tigray MSPs was the discussion on market options for Abergelle export abattoir. Abergelle has improved its sales volume and value since the last two MSPs. Moreover, the MSP discussions and resulting recommendations to Abergelle have allowed the abattoir to explore domestic market opportunities. According to reports in the month of May 2014, Abergelle's domestic sales volume is now double that of its export figures: Export sales are 1.2 million ETB and local sales are 2.614 million ETB. The average number of animals slaughtered every week is 14 cattle and 210 shoats.

Federal MSP

The Addis AGP-LMD office has organized two MSPs so far. The first federal-level MSP was held on October 23, 2013. This MSP was attended by high-level government and USAID officials. The meeting was officially opened by His Excellency Dr. Gebre Egziabhere Gebreyohannes, State Minister of Livestock, MoA. The USAID representative, Mr. Cullen Hughes, made a keynote speech. Representatives from the regions, IPs, and regional AGP coordinators also attended the meeting.

The workshop's main agenda was the BEE study, which was presented to stakeholders. The discussion that followed identified some of the key constraints to livestock businesses' access to land and finance, animal health, taxation and feed. At the end of the meeting, participants elected policy champions to lead the federal-level MSP.

The second MSP was held on February 18, 2014 and had strong participation from the government and USAID. Topics presented and discussed at the MSP included:

- Land access: presented by USAID and the Oromia Land Administration Bureau
- Animal health services: the privatization road map

The Oromia Land Administration Bureau's presentation revealed that land accessibility differs from region to region, and the Bureau had developed a draft plan to follow the cluster approach in availing land to investors. The draft has yet to be discussed and debated at the Oromia Regional Council. USAID's presentation focused on tenure security and USAID's work in this area.

The privatization road map indicates a major shift in policy when implemented. AGP-LMD organized subsequent familiarization workshops in the regions and has secured strong buy-in from regional livestock agencies and other stakeholders to speed up the privatization process.

Activity Description	Indicator	Target (July 2013-June 2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
		M	F	Tot.	M	F	Tot.		
2.4.3 Institutional Coordination among Stakeholders									
2.4.3.1 Establish federal MSPs in consultation with key actors and identify MSP leaders and secretariats (Federal Level)	# TORs	na	na	1	na	na	5	Completed	
2.4.3.2 Conduct MSP meetings on quarterly basis (4 at Federal level)	# MSP meetings	na	na	20	na	na	17	Completed	

IR2: STRATEGY 4 - APPLIED RESEARCH FOR DEVELOPMENT

AGP-LMD strategy on addressing policy and institutional capacity issues focuses on evidence-based advocacy and lobbying. LMD is involved in applied research and is conducting studies to generate information and evidence that can be used as inputs to support policy formulation and institutional capacity building. The livestock subsector is a very wide subsector, with a large range of challenges and opportunities. Therefore, LMD prioritized issues that impact the value chain through selected, researchable topics. So far, five research topics have been identified for applied research for development. Three studies have been conducted, and two have been postponed until next year.

1. Livestock Identification Traceability System (LITS)

AGP-LMD completed the initial assessment study on the possibility of establishing a LITS in Ethiopia. The study was initiated in late February 2014. The outcome was a project document for the piloting of a LITS system that is feasible for and suitable to Ethiopia. Expected outcomes of this program include the following:

- A properly constructed LITS will support new and improved disease management and control programs, allowing Ethiopian officials to better support their production environment and to create new value in the marketplace through increased demand for exported products.
- The LITS will allow producers to tell current buyers of Ethiopian cattle and beef products that Ethiopia meets world standards for traceability—providing them with the assurance that the products they buy from Ethiopia are safe and wholesome.
- Ethiopia can more effectively approach new trading partners with the claim that all exported cattle and beef products meet standards for traceability and that new and effective disease control measures are in place.
- Successful implementation of a LITS cattle project will allow Ethiopia to approach the larger numbers of small stock with a proven and tried system, with a minimum of increase in expenses related to the database and staffing of the program.

2. Scoping Study on Dedicated Fleet for Transportation of Live Animals

Two consultants, one international and one local, were hired to conduct a study on a live animal transport system in Ethiopia. They concluded their study on May 15, 2014 and presented their findings to a USAID representative and LMD staff. During the study they accomplished the following:

- Conducted a field-based assessment with value chain actors, especially live animal exporters, feedlot operators and export abattoirs, to review the conditions and challenges of the live animal transport system in the country, to identify the underlying reasons for not adopting designated trucks for live animal transport in Ethiopia and to assess perceptions of all value chain actors on bottlenecks impeding the growth of live animal transport.
- Met and held a discussion with representatives of key ministries (MoA, MoT, MoTransport and EMDIDI) and private truck assembling plants such as Mesfin Industrial and Trans Ethiopia.
- Developed written strategies on how to adopt a live animal transport system in the country. LMD has planned to conduct a workshop to validate the scoping study, support the undertaking of a business plan for livestock exporters who expressed interest in forming a cooperative and purchasing dedicated livestock transport, and assist the Road Transport Authority (RTA) and the MoTransport in enforcing standards through training of their inspectors.

3. Public Private Partnership (PPP) on Management of Quarantine Stations, Livestock Markets and Abattoirs

A team of experts from AKLDP, MoA, MoT and LMD has conducted a study on the possibility of a PPP arrangement and administration of quarantine stations, livestock markets and abattoirs in Ethiopia. In the first phase of the assessment study, the team visited the newly established live animal export quarantine facility in Mille in Afar regional state. The second phase of the assessment involved visits to Somaliland and Djibouti to study good practices, including emerging lessons from PPPs. The study team specifically assessed management modalities at quarantine stations, livestock markets and abattoirs, including the following:

- a. Roles and responsibilities of the different stakeholders and related leasing/management arrangements and agreements
- b. Levels of government and private sector company investment
- c. Service provision arrangements (feed, water, veterinary services and laboratory systems, etc.)
- d. Capacity of the centers and annual throughput by species (including duration of stay)
- e. Fee paying arrangements for quarantine and related services
- f. Staffing
- g. Profits/costs (including to government)
- h. Lessons learned – positive and negative

4. Standards for Investment in the Livestock Sector, Including Provision of Land

Research on minimum standards of land use for livestock investment in Oromia was a priority issue identified by the MSP. The Oromia Urban Land Management and Development Agency requested the support of LMD to conduct the study. The agency is developing a ToR to conduct the study. LMD was not able to conduct the study during the reporting period due to unforeseen circumstances of public disturbance in the Oromia region.

5. Privatization of Animal Health Services

The study will focus on the Amhara region's experience with the animal health services cost recovery mechanism. The region accepted the idea of conducting an assessment on the animal health cost recovery mechanism but needs LMD's support to develop the concept note and finance the study. The study will be held in early months of next year.

Activity Description	Indicator	Target (July 2013-June 2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
		M	F	Tot.	M	F	Tot.		
2.4.4 Applied Research for Development									
2.4.4.1 Identify researchable topics by MSPs in collaboration with other projects involved in research- LIVES, CASCAPE, CIAFAS , KLDP, LAND at Federal level.	# report	na	na	1	na	na	5	Ongoing	
2.4.4.2 Commission studies on prioritized topics (identify collaborating institutions, develop ToR and commission studies)	# researches	na	na	1			3	Completed	
2.4.4.3 Present study findings at regional MSP meetings (four at regional and one at federal level)	# presentations	na	na	5	na	na	0	Ongoing	
2.4.4.4 Prepare policy briefs on different studies (at Federal level)	# policy briefs	na	na	2	na	na	1	Ongoing	

Collaboration with other USAID-Funded Projects

AGP-LMD is working with CARE Ethiopia's Graduate Resilience to Achieve Sustainable Development (GRAD) project to pool the GRAD beneficiaries into the meat and dairy value chain market and has registered some results in Amhara, Oromia and SNNPR. Joint missions were conducted and discussions were held with some export abattoirs, which resulted in the purchase of small ruminants from the GRAD areas. Training of CAHWs on animal health and cooperative development and strengthening was also conducted in collaboration with GRAD. Further discussions have also been undertaken with woreda authorities and traders to create better market linkages with the livestock producers in the GRAD target areas. (See the pro-poor section for more details.)

AGP-LMD has teamed up with PRIME to upgrade and operate the National Livestock Marketing Information System (NLMIS), which is under the ownership of the MoT. The NLMIS aims to upgrade the present system, increase the coverage area and provide real-time market information to traders, livestock agencies and other stakeholders. The negotiation process and preparation of the Memorandum of Understanding (MoU) has taken considerable time, but the MoU will be signed soon by the MoT and USAID to kick-start implementation. (See the ITC section for more details.)

As stated above, LMD conducted a joint study with the USAID-funded AKLDP on livestock markets and quarantine station PPP management systems. Tufts/AKLDP and LMD are expected to deliver a detailed report that covers the general management and regulatory aspects of the management of quarantine stations, livestock markets and abattoirs. The report will be informed by good practice in Ethiopia and neighboring IGAD countries and be supported by perspectives from importing countries, in particular in the Middle East. The report will cover the full range of options including public, public-private and privately managed livestock sector infrastructure and services and key lessons learned. For each option presented, Tufts/AKLDP and LMD will provide detailed assessments of the financial capital required to maintain effective operations.

Participation in Joint Coordination Meetings with IPs Working with AGP

AGP-LMD regularly participates in the AGP monthly and quarterly meetings both at federal and regional levels. The monthly meetings are dedicated to sharing information and addressing the issues affecting the value chains. AGP-LMD has been an active participant in these meetings, contributing to discussions in the livestock sector. The AGP quarterly meetings are dedicated to reviewing the progress of the implementation of planned activities, and AGP-LMD has presented its quarterly reports at the Federal FCU and Regional AGP meetings.

AGP-LMD is also a member of ACAL, the Technical Coordination Committee of AGP, at the federal and regional levels. ACAL is led by CASCAPE and is dedicated to harmonizing and aligning planned activities, avoiding duplication and creating efficiency and effectiveness in the implementation of activities in all the value chains. ACAL is also tasked with identifying best practices and lessons for potential scaling up and replication. In the course of implementation last year, the focus was mostly on crop value chains, and AGP-LMD is pushing for change in the balance to bring livestock value chains to the center stage.

In the month of March 2014, LMD participated in the AGP MTR review process. The CoP, DCop and regional coordinators participated in the field visits of all four regions. LMD CoP and DCoP also attended and contributed to the AGP MTR meeting held in Addis and in the different regions. Although the MTR was dedicated to reviewing the AGP program's implementation, AGP was able to showcase some of the activities it has been implementing in the regions in the dairy and meat value chains. AGP-MTR participants appreciated how LMD's activities support value chain actors to access land, finance

and training for cooperatives. LMD was asked to support AGP in its activities with Common Interest Groups (CIGs).

In following the AGP planning process for next year, AGP-LMD has developed its regional planning on two levels: First, AGP-LMD presented its strategic framework and draft plans to relevant institutions in the regions, such as livestock agencies, Bureaus of Agriculture, cooperatives, and trade institutions. This consultation was followed by constructive discussion and feedback on the drafts.

21 people participated in a workshop organized to assess the AGP training effectiveness study report. The workshop participants included representatives from the AGP coordination office, Ethiopia-Canada Cooperation Office, the World Bank and USAID. The workshop forwarded a recommendation to be considered in the upcoming AGP MTR. LMD is a member of the AGP capacity building taskforce, contributing to the development of a capacity-building strategy document.

Follow Up on the G8 Alliance Public Sector Development Task Force (PSDTF) Meetings

The PSDTF is the private sector development task force organized to take stock of the GoE's commitment to undertaking institutional reform. AGP-LMD was given the responsibility of following up on the policy and institutional reform in the livestock sector. In the past year, LMD organized six meetings and took inventory of the reforms initiated by the GoE. Below are the policy issues that were followed up on:

- The two proclamations issued by the MoT (live animals, and hides and skins trading). AGP-LMD provided technical inputs and analysis to the MoT for subsequent formulation of the guidelines and procedures. LMD will continue to support the MoT in creating awareness of the proclamations.
- The VAT issue regarding animal feed production and sale. AGP-LMD and the Animal Feed Association will follow up with the state minister of the MoA.
- Technical support for the MoA in the area of animal identification and traceability. LMD will continue to support the MoA in finalizing the study and implementing the pilot project.
- The Addis Ababa city administration urban land use plan. The Addis Ababa agriculture office has produced a strategy document to promote urban agriculture. Livestock is one of the priority subsectors in the document.
- The draft urban land use plan of Oromia region.

AGP-LMD also participated in the crop livestock mixed production system Livestock Technical Committee organized under the RED&FS. LMD was elected to co-chair the three working groups (livestock health, meat, and dairy working groups) established under the Livestock Technical Committee. The Committee will be instrumental for LMD to push forward policy agendas.

Participation in FtF Meetings

AGP-LMD has participated in the regular quarterly FtF meetings and has presented its activities and other undertakings to participants. LMD has highlighted some of the key issues affecting the sector and possibilities for linkages with other FtF partners to address issues such as low milk consumption.

Analysis: Opportunities and Challenges

The Ethiopian government has given due attention to the livestock sector through the national GTP targets. This is the driving force that propels public and private institutions to work towards achieving

the targets. In doing so, the structural adjustments made at federal and regional levels are important for supporting the development of the subsector. EMDIDI has been reorganized with a bigger mandate to lead livestock industry development. The private sector's involvement and investment has increased, showing the subsector's prospects. Development actors and donors are also injecting money into projects in the subsector.

Demand is increasing for livestock products in the world market. On the other hand, importing countries have very strict sanitary and phyto-sanitary standards for importing livestock and livestock products from countries like Ethiopia that do not have livestock traceability and disease control systems. These challenges present opportunities to work on policy formulation and capacity building for the public and private sectors to enhance market competitiveness by fulfilling international standards.

AGP-LMD has started to work with public and private institutions to create a better enabling environment for value chain actors to operate optimally. However, there are still challenges to address in the coming years. Some of the key challenges are as follows:

- Policy formulation and ratification is a long and complex process that needs time and evidence-based information. On top of that, due to the increasing political, social and economic activities in the country, the government has many agendas demanding policy amendment or change.
- The implementation capacity of public institutions is quite limited compared to what is required by the GTP targets. During the capacity needs assessment study, the public sector forwarded a long list of capacity needs. Some of the capacity needs are beyond LMD's mandate.
- Despite the private sector's increasing interest and investment, the sector still faces limitations in terms of capital, human resources and technology.

SUCCESS STORY: TIGRAY EXPERIENCE-SHARING TOUR ON LAND ALLOCATION

AGP-LMD organized an in-country study tour to Mekele, a city in Tigray, for 20 regional government and federal institute officials and experts, and municipality mayors, from August 30 – 31, 2013.

Objectives of the Experience Exchange Visit:

- to learn from Tigray's good experience in delineating and allocating land for agribusiness
- to study the procedures followed to allocate land for agribusiness, including the lease period
- to understand the legal framework and institutional arrangements used to implement access to land and land allocation
- to learn from the region's experience in land conflict resolution
- to gain the perspective of private sector actors on how the local administration manages land efficiently

Lessons Learned:

- Mekele town administration's experience in reserving large tracts of land (40% of the town's total land area) for the green economy zone, including urban agriculture (10%), was very informative.
- The political commitment of the regional government policy makers and lower level leadership was exemplary.
- The land allocation experience for private investors engaged in dairy and feedlot operations was also positive.
- The cluster approach used to allocate land for different agri-businesses (investors and SMEs) is also a good model for other regions.
- Mekele town administration also gives land for agri-business for a 15-year lease period, subject to additional extension years. This is a much better period than that of other regions.
- Weak institutional linkages exist with the Regional Bureau of Agriculture: The Urban Agriculture Development Office of Mekele appears isolated from the Regional Bureau of Agriculture in technical matters and no collaborative mechanism has been designed yet.

Outcomes of the Mekele Experience-Sharing Visit

- The Bishoftu deputy mayor took immediate action to transfer the experience he gained from Mekele. He invited LMD project experts to visit and discuss how to collaborate and further urban land allocation for different uses with a cluster approach. The team agreed to have a joint meeting with all stakeholders at the town level to discuss further collaboration.
- AA land management process owner initiated discussions with AA Urban Agriculture Office and other stakeholders from the Ministry of Urban Development and Construction for collaboration in allocating land for urban agriculture development in the newly developed joint master plan for AA and the Finfine zone.
- The Oromia and Amhara regions presented the experience they gained from the visit by comparing their regional status in these areas.

Activity Description	Indicator	Target (July 2013-June 2014)			Accomplishment (July 1, 2013-June 30, 2014)			Status	Remark
		M	F	Tot.	M	F	Tot.		
2.4.5 Linkage Creation with Other USAID Projects									
2.4.5.1 Participate in joint coordination meetings with FtF program implementing partners at regional level (AGP-AMDe, GRAD, AGP, PRIME, CIAFS, CASCAPE, KLDP, RED&FS PSDTF & LAND) for experience sharing and building synergy.	# meetings	na	na	10			10	Completed	
2.4.5.2 Organize monthly PSDTF livestock sector meetings at federal level	# meetings	na	na	12	na	na	7	Completed	
2.4.5.3 Organize planning meetings to identify joint activity implementation with partners (GRAD, PRIME, CIAFS and HABP)	# meetings	na	na	4	na	na	4	Completed	
2.4.5.4 Participate in Joint Review and Implementation Support (JRIS) visits with partners	# visits	na	na	8			9	Completed	
2.4.3.5 Study on access to optimal allocation of land for livestock activities (agri-businesses)	# report	na	na	1			1	Ongoing	
2.4.3 .6 Scoping study on tractability									
2.4.3.6.1 Develop ToR and commission the study	# study commissioned	na	na	1			1	Completed	
2.4.3.6.2 Conduct scoping study on traceability	# study report	na	na	1			1	Completed	

Component 5: Enhance the Nutritional Status of Rural Households

AGP-LMD's overall objective is to improve smallholder incomes and nutritional status through investments in selected livestock value chains. IR3 is composed of nutrition social and behavior change (SBC) and economic strengthening (ES) for PLHIV components. The main objective of IR3 is to improve the quality and diversity of household diets by increasing the intake of livestock products through behavioral change strategies. The behavior change communication (BCC) intervention increases the nutritional knowledge of the target community, which in turn increases the demand for and consumption of a diversified diet so that the nutritional status of rural households is enhanced.

The HIV/AIDS wraparound activities of the AGP-LMD project focus mainly on improving the economic and nutritional status of HIV/AIDS-affected households. In addition to ES and job creation activities, PLHIV groups are supported through SBC to improve their dietary diversity awareness and increase their consumption of livestock products for a healthier life.

1. Achievements

In the second year of the project, several surveys that had been planned for the initial project phase were conducted. The IYCF-KAP, barrier analysis, and preservation and storage baseline surveys were conducted at the end of December 2013, after many delays. The field data collection began on December 21, 2013 and was completed on January 18, 2014. Report writing and result produced and used for strategy development as an input. To improve nutrition-related behavior, AGP-LMD conducted a dietary diversity campaign in 10 deep target woredas. The aim was to increase caretakers' awareness about the preparation of nutrient-rich foods (especially animal products) through the transmission of messages and cooking demonstrations. The campaign successfully reached 1277 people (1178 female and 99 male).

Based on the findings of the survey and identified gaps, AGP-LMD developed a draft SBC strategy. The strategy outlines the focus of AGP-LMD's nutrition Social and Behavior Change Communication (SBCC) implementation modality, strategic direction and key activities for bringing the desired behavioral change towards nutrition at the household level. After the SBC strategy was developed, AGP-LMD held a five-day training on the care group approach for implementing partners and woreda health nutrition focal persons from the 10 deep focus woredas. The training took place from March 28 to April 2, 2014. A total of 13 participants attended the training (11 male and 2 female). After the training, trainees returned to their woredas to organize and form care groups in target kebeles.

2. Conduct an HIV/AIDS and Economic Strengthening Baseline Assessment

The main purpose of this assessment was to ascertain the baseline economic status of PLHIV targets and identify the main intervention areas, including the available livestock value chain opportunities. The team exerted maximum effort in the process of accomplishing the study. The assessment was done by a local short-term technical assistant (STTA), with technical support from the HIV/AIDS team from the TOR development of the study to the final report submission. The assessment covered all ten deep focus woredas of the four regions. Woreda-level sensitization workshops were also conducted. The main purpose of these workshops was to sensitize concerned stakeholders in each project woreda about the HIV/AIDS and ES wraparound activities, and to establish a task force/woreda-level steering committee responsible for overseeing the overall activities of the program.

Working documents and training manuals were developed, with the intention of enabling smooth program implementation and guiding the implementation of activities across all woredas and regions. The documents also support LMD staff in their day-to-day follow-up and guidance of the program. LMD provided a four-day TOT training on savings and credit group (SCG) formation and loan management

for 21 participants (16 from Amhara (13 male and 3 female) and five from Tigray (3 male and 2 female)). This TOT training will be given to Oromia and SNNPR participants in the beginning of the coming year. Both the operational guidelines and implementation strategy of LMD's HIV/AIDS program gave due attention to the target selection process. For this reason, much time has been devoted to the target selection process, mainly in the last two quarters of the fiscal year. The screening process started with the identification of PLHIV in the project woredas and ended with SCG training and formation of savings groups. Of the 1173 PLHIV registered, 834 were selected and 435 received orientation. A total of 334 PLHIV were trained, and 21 savings groups were formed.

Challenges and Opportunities

- The nutrition component (IR3) activity is conducted at the community level at target households and requires the direct involvement of HEWs and HDAs. Getting approval from the MoH is mandatory, and the problem of the lack of approval is not yet solved and has caused much delay in IR3 activity. An appropriate solution is still needed for the coming year.
- The absence of a woreda-level technical person for the nutrition and HIV/AIDS economic activity component makes it challenging to carry out the planned activities within the scheduled time frame.

Activity Description	Unit	Target (July 1, 2013- June 30,2014)			Accomplishment in 2014			Status	Remark
		M	F	Tot.	M	F	Total		
Nutrition Analytics									
3.5.1.1 Provide training to the IPs on the survey data collection and participate in the data collection	# trainees	10	5	15	10	5	15	Completed	
3.5.1.2 Conduct anthropometric, IYCF KAP, dietary diversity and barrier analysis survey in the 10 LMD focus woredas	# woredas	na	na	10	na	na	10	Completed	Due to lack of MOH approval, anthropometric survey could not be done
3.5.1.3 Conduct preservation and storage assessment in the 10 LMD focus woredas	# woredas	na	na	10	na	na	10	Completed	Report writing is on process.
3.5.1.4 Conduct validation workshops	# workshops	na	na	4	na	na	4	Completed	Panned to be done in April once the survey report is finalized
Activity Description	Unit	Target (July 1, 2013- June 30,2014)			Accomplishment in 2014			Status	Remark
		M	F	Tot.	M	F	Total		
Utilization (Improve Household Nutrition-related Behaviors)									
3.5.2.1 Design SBC methodology based on survey results	# documents	0	na	1	na	na	1	Completed	
3.5.2.2 Include zoonotic disease prevention plan in the nutrition strategy	# plan	0	na	1	na	na	1	Postponed	Will be completed in next work plan
3.5.2.3 Conduct strategy workshop	# workshops	0	na	1	na	na	1	Completed	
3.5.2.4 Train LMD stakeholders, IPs and other partners on designed SBC methodology	# trainees	25	10	35	25	10	35	Completed	
3.5.2.5 Establish or strengthen regional training team	# teams	na	na	4	na	na	4	Ongoing	ORDA already assigned woreda level focal persons, others will be encouraged to accomplish in the coming quarter
3.5.2.6 Develop or adopt IEC materials for care group materials, posters, flyers, billboards	# and type IEC materials	na	na	4	na	na	4	Ongoing	Draft materials submitted for technical review
3.5.2.7 Conduct message harmonization and standardization workshop	# of workshop	na	na	1	na	na	1	Postponed	Will be conducted once the SBC messages and IEC materials are developed
3.5.2.8 Print and distribute poster, flyers, flip charts, billboards based on the context of the woredas	# poster, flyers, billboards	na	na	5000	na	na	5000	Postponed	
3.5.2.9 Mainstream dietary diversification in TOT of dairy management and dairy bull calf feeding	# trainees	26	6	32	26	6	32	Completed	
3.5.2.10 Mainstream dietary diversification in dairy training of FBO/ Cooperatives, CIGS, Producer groups, DAs, feed lot operators, commercial dairy farm operators	# trainees	1120	480	1600	1120	480	1600	Ongoing	The activity will continue in the other woredas. Combined with IR 1 activity 1.2.3.3.1
3.5.2.11 Conduct campaign on nutrition SBC in the ten LMD focus woredas	# secession	na	na	20	na	na	20	Completed	
3.5.2.12 Conduct SBC message on dietary diversification to the care takers of under two children and pregnant mothers through campaign	# person	620	620	1240	620	620	1240	Completed	
3.5.2.13 Conduct orientation workshop for government partners	# workshops	na	na	4	na	na	4	Postponed	
3.5.2.14 Establish task force at woreda and/or Kebele level including DAs, HEWs, Religious Leaders, Women Affairs Offices	# taskforces	na	na	100	na	na	100	Completed	
3.5.2.15 Train DAs on dietary diversification	# trainees	119	51	170	119	51	170	Completed	
3.5.2.16 Reach farmers/livestock owners with SBC messaging through DAs	# farmers	595	255	850	595	255	850	Ongoing	Started following the training
3.5.2.17 Select and train community mobilizers/change agents on SBC strategy	# trainees	50	51	101	50	51	101	Postponed	Will follow the training of HEW
3.5.2.18 Implement SBC strategy on households with pregnant and children under 2 months	#households with pregnant and children under 2 months	na	na	20% (17,054)	na	na	20% (17,054)	Postponed	Will follow IEC material

Activity Description	Unit	Target (July 1, 2013- June 30,2014)			Accomplishment in 2014			Status	Remark
		M	F	Tot.	M	F	Total		
Availability (improve availability of livestock-based foods)									
3.5.3.3 Design plan to link nutrition with other IRs	# document							Postponed	
3.5.3.1 Develop nutrition strategy incorporating livestock product availability	# document	na	na	1	na	na	1	Completed	
3.5.3.2 Promote and support adoption of product preservation and storage technologies	# of villages	na	na	25	na	na	25	Postponed	
Activity Description	Unit	Target (July 1, 2013- June 30,2014)			Accomplishment in 2014			Status	Remark
		M	F	Tot.	M	F	Total		
HIV and Nutrition Monitoring									
3.5.5.1 Develop the methodology for nutrition monitoring	# document							On going	
3.5.5.2 Conduct supportive supervision	# visits	na	na	12	na	na	12	Postponed	Will be conducted when the nutrition implementation approval is obtained from MoH and implementation is commenced
3.5.5.3 Conduct semi-annual nutrition monitoring for PLHIV and other targets	# report	na	na	2	na	na	2	Postponed	

Activity Description	Unit	Target (July 2013-June 2014)			Accomplishment (July 2013-June 2014)			Status	Remark
		M	F	Total	M	F	Total		
HIV/AIDS and PEPFAR Wrap-around Activities									
3.5.4.1 Conduct ES assessment in the ten deep investment woreda	# woreda	na	na	10	10	15	25	Completed	
3.5.4.2 Conduct validation workshops	# workshops	na	na	4	600	900	1500	Completed	
3.5.4.3. Develop ES strategy for PLHIV	# documents	na	na	1	200	300	500	Completed	
3.5.4.5. Identify HIV-affected households to be linked to market opportunities, job and microenterprises									
3.5.4.5.1. Establish ES committees and technical supportive advisory group at woreda level	# committees	na	na	10	na	na	10	Completed	
3.5.4.5.2. Identify and mobilize ES agents who supports ES and nutrition activity	# ES agents	10	15	25	200	300	500	Ongoing	In Amhara, Woreda level facilitators for ES and Nutrition are already assigned and in the three project Woredas and there will be ES agents at Kebele level
3.5.4.5.3. Select targets PLHIVs	# people	600	900	1500	120	180	300	Ongoing	A continuous activity, the target selection process is started and on progress, currently there is completed figure in this regard
3.5.4.5.4 Engaging PLHIVs in Livestock Value Chain Development	# PLHIV	200	300	500	na	na	200	Ongoing	some targets in Amhara are being engaged in local level multistakeholder plant forms
3.5.4.5.2.2. Identify PLHIV associations who are working in value chains	# PLHIV association	na	na	10	na	na	20	Ongoing	4 PLHIV owned livestock enterprises identified in Amhara and not yet completed in Tigray but there is no target in Oromia and SNNPR.
3.5.4.5.2.3. Conduct rapid needs and gaps assessment	# assessment	na	na	10	400	600	1000	Ongoing	from the identified two businesses, two of the enterprises need assessment is already conducted and two are remaining
3.5.4.5.2.4 Provide upgrading capacity building trainings	# Participants	200	300	500	na	na	50	Ongoing	Technical proposal communicated to ORDA to provide TOT for two PLHIV owned Livestock enterprise groups in Dejen and Bahir Dar
3.5.4.5.2.5 Link individuals or PLHIV associations to market opportunity in livestock value chains	# people linked	120	180	300	400	600	1000	Ongoing	2 PLHIV owned livestock enterprises are participating in the Multi stakeholder platform in Amhara region
Activity Description	Unit	Target (July 2013-June 2014)			Accomplishment (July 2013-June 2014)			Status	Remark
		M	F	Total	M	F	Total		
3.5.4.5.2.6 Create employment opportunity for individual PLHIV's with large firms	# job created	na	na	200	na	na	50	Postponed	
3.5.4.5.2.7 Provide matching fund	# matching fund, value of fund	na	na	20	na	na	50	Postponed	Existing saving groups should be matured enough, and follows SPM training and grant manual approval
3.5.4.5.6.2.1 Provide TOT for IP staff and ES agents on saving group formation and saving fund management	# established saving groups	na	na	50	200	300	500	Ongoing	Will be completed beginning of July
3.5.4.6.2.2. Provide a three to five-day orientation on the mechanisms of running a savings group	# participants	400	600	1000	na	na	30	Ongoing	Amhara and Tigray started, and Oromia and SNNPR will follow soon
3.5.4.6.2.3. Elects a management committee (president, vice-president, treasurer, and secretary) and establishes bylaws	# management committee	na	na	50	na	na	20	Ongoing	Amhara and Tigray started, and Oromia and SNNPR will follow soon
3.5.4.6.2.4. Follow group members to begin saving small amounts of money	# Group	na	na	50	na	na	16	Ongoing	Amhara and Tigray started, and Oromia and SNNPR will follow soon
3.5.4.6.2.5. Provide business skill training	# participants	200	300	500	600	900	1500	Postponed	
3.5.4.6.2.6. Establish microenterprises	# established	na	na	30	na	na	10	Postponed	
3.5.4.6.3. Conduct experience sharing event among different PLHIV associations, partners and individuals	# experience sharing meeting	na	na	16	na	na	10	Postponed	
3.5.4.7. Include PLHIV in any care service activities	# PLHIV	600	900	1500	na	na	4	Postponed	Follow care groups mapping
3.5.4.7.1. Mapping of existing care groups	# woreda	na	na	10	na	na	0	Ongoing	Started in Amhara and Tigray, other follow after PLHIV's SCG formation training
3.5.4.7.2. Establish ES service linkages	# woreda	na	na	10	na	na	0	Postponed	
3.5.4.8. Networking with HIV/AIDS institutions like Networks of HIV Positives (NP+), HPACO .	# regions networked with HIV/AIDS institutions	na	na	4	na	na	0	Ongoing	PLHIV associations are actively engaged in target beneficiaries identification and selection

VI. PRO-POOR, PUSH-PULL AND CROSS-CUTTING ISSUES

Pro-Poor Issues

The GoE, in collaboration with different development partners, has formulated and implemented pro-poor policies and strategies particularly focused on youth and women as primary beneficiaries of programs and projects. According to the GoE's GTP Annual Progress Report for F.Y. 2011/12 (Draft, Ministry of Finance and Economic Development, February 2013), the allocation of government expenditures has a priority focus on the growth-enhancing pro-poor sectors of agricultural development, food security, water, education, health, and road and rural electrification programs. In 2010/11 and in 2011/12, government expenditure allocated to these sectors accounted for about 66% and 70.4% of total government expenditure respectively.

The attention given by the government to the poor has attracted the interest of development partners, including USAID, which has been investing in the GoE's safety net programs for about a decade. Since the end of 2002, the government's safety net programs have facilitated and graduated about half a million poor household members.

AGP-LMD is working on pro-poor value chains to support the government's priorities by lifting safety net graduates that have built assets by linking them to markets to sell their surplus production. The beneficiaries are the households selected from the graduates and non-graduates of the government's Productive Safety Net Program (PSNP). In this regard, AGP-LMD has given due attention to this segment of poor people living in food insecure areas and developed a push-pull strategy formulated at the beginning of 2013. It is being implemented in collaboration with other USAID projects, such as GRAD. The push-pull strategy developed by AGP-LMD is the basis for the collaboration of LMD and GRAD to bring about transformation in the livelihoods of beneficiaries and will be used until the project's end in the implementation of pro-poor activities. The strategy will be reviewed every year to fit the objective reality on the ground.

AGP-LMD's pro-poor Value Chain (VC) works mainly on pulling livestock from food insecure woredas to the market in collaboration with GRAD. GRAD is working on the push, or production, side. The VC is also working to strengthen the capacity of the middle of the value chain. So far it has provided training to women entrepreneurs, CAHWs and cooperatives in the four regions where LMD works.

1. Summary of Top Results

In the period under review, the pro-poor VC had planned to link 4000 households in GRAD and PRIME woredas to the market. However, due to the non-availability of the required animals (insufficient quality and quantity) from GRAD woredas, and the higher prices requested by the livestock producers, only 110 households have benefited from the market linkage that LMD has organized in GRAD woredas. On the other hand, in the PRIME woredas, LMD linked 1,500 households to live animal traders, selling 1,500 camels to international traders. Al-RADDAD from Dubai purchased the camels and Modern Bright Future company from Oman purchased the shoats.

With regard to building the capacity of the middle of the VC, 25 women entrepreneurs from the food insecure woredas have been trained on leadership, communication, and gender and business management skills for five months in five phases. The trained women have already expanded their businesses and have started to assist their families in sending their children to school. They have indicated that the training has helped them to build their confidence as well. Four CAHWs have also been trained for 15 days on general animal health in Libo Kemkem and Lay Gayint woredas in Amhara region. The trained animal health workers have already started businesses, thereby increasing their incomes. In addition, six cooperative members from the woredas mentioned above have been trained in governance and leadership skills.

2. Key Activities and Successes

During the period under review, the major activities performed depended on the push-pull strategy's guiding principle (formulated in the first half of 2013) and included the following:

2.1 Enabling Environment

As indicated in the push-pull strategy, pro-poor activities are devoted to the creation of an enabling environment with USAID partners, such as PRIME and GRAD, and other government organizations working on safety net programs, such as the Household Asset Building Program (HABP) and food security offices at federal and regional levels. To this end, meetings have been held with government offices and USAID projects. Also, coordination group meetings with HABP, GRAD and PRIME aim to improve the working relationship with AGP-LMD. The following are some of the actions taken towards creating a workable enabling environment.

2.3 Field Visits

A field visit was made to the four regions to assess the status of PSNP Plus graduates and non-graduates. The visit to these regions focused on meeting representative of government bureaus, HABP and GRAD who are working with safety net program beneficiaries. These visits have increased opportunities for AGP-LMD's pro-poor section to create good working relationships by organizing visits to woredas, arranging trainings, organizing MSPs, etc.,

2.4 MSPs

The pro-poor VC, together with IR2 and in collaboration with GRAD, organized 11 MSPs in the reporting period in the four target regions: SNNPR (3), Tigray (4), Amhara (4) and Oromiya (0). Though Oromia has been organizing MSPs for AGP woredas, it did not include the safety net program beneficiaries and those organizations working on pro-poor activities. In the Tigray and Amhara regions, GRAD and LMD share the same IPs. In SNNPR, the pro-poor advisors facilitated meetings for Self-Help and GRAD. During those meetings, an agreement was reached to sign an MoU focused on collaboration in organizing the MSPs. This has simplified the organization of MSPs and cost sharing.

In general, the MSPs have become productive discussion forums for deliberating problems related to the livestock sector, while at the same time seeking solutions. The main discussion topics have been animal health services, land allocation, the new trade proclamation, marketing and other policy issues. During the meetings, MSP leaders were selected for all regions, which will help to create sustainability in the future.

2.4 Coordination Group Meetings

The quarterly push-pull coordination meetings arranged by AGP-LMD were hosted by PRIME and LMD. The meetings facilitated the creation of transparency for exchanging information, allowed for the organization of meetings and visits to livestock producers, and introduced the push-pull strategy to the coordinating group members. An important outcome of the meetings was the exchange of marketing information on surplus production in the GRAD woredas and the preparation of study tours for GRAD beneficiaries to AGP woredas. The meetings became a stepping-stone for strengthening the relationship between GRAD, HABP and LMD. However, after two quarterly meetings, the coordination group meeting was discontinued because it did not deliver the results that were expected initially.

However, GRAD and LMD's pro-poor staff have continued to meet separately, plan field visits, and organize study tours and MSPs as planned at the beginning of the year. HABP, a government program that works with PSNP graduates and non-graduates by providing technical and financial assistance, continued to share information and participate in meetings and workshops with each organization. At the end of the year, in June 2014, the meeting with PRIME was reinstated, and an agreement was reached to work together in 2014/15 to organize business-to-business meetings, trade fairs,

etc. To this end, a VC technical group meeting was formed, consisting of PRIME and LMD VC advisors. LMD's pro-poor advisor was given the responsibility of organizing the first meeting on July 15, 2014.

2.5 Market Linkage

The pro-poor advisor has made efforts through field visits, coordination group meetings, MSPs and meetings with USAID projects and other government organizations to link the beneficiaries of the safety net program to export abattoirs in Modjo, Debre Zeit, traders from Amhara region, SNNPR, Oromia and Tigray.

Abattoir representatives went to Oromia and SNNPR and met with the livestock producers, but agreements were not reached due to the low quantity of animals and the higher price requested by the livestock producers. The abattoirs clearly indicated their quality requirements to the government offices and the producers, and promised to buy from these households once the quality and quantity have improved. The idea of forming a cooperative for bulking animals has also been the center of discussion.

Another linkage was created in Libo Kemkem woreda in Amhara region; however, the producers did not agree on the price for supplying animals to Debre Tabor University.

Abergelle abattoir has repeatedly made requests to buy animals from GRAD areas. This has been communicated to GRAD livestock advisors, but has not materialized due to high prices.

In the month of June, after repeated efforts, 1,500 households from pro-poor pastoralist areas were linked to the international market through the AL RADDAD Food Import Company. The buyer and the producers have agreed on a long-term business relationship. The company has also agreed to import 40,00 camels in the near future. In addition, 110 households from GRAD areas have been linked to sell shoats to an international trader from Oman; Modern Bright Future company. The deal was made through Abergelle. Abergelle has also started discussions on a longer-term agreement with the buyer.

3. Training

3.1 Community Animal Health Workers (CAHWs)

The pro-poor VC facilitated trainings on animal health for food insecure woredas, organized by IR1. Four producers from Libo Kemkem and Lay Gayint in the Amhara region benefited from the training. The training could not continue in other regions since the strategy of the government has shifted from training CAHWs to the privatization of animal health services.

3.2 Privatization of Animal Health Services

To clarify future trends in livestock animal health services, the senior animal health advisor and the pro-poor advisor went to the Amhara region to meet with the head of the livestock agency. During the discussion, it was assured that all regions are working towards the privatization of the sector, based on federal directions. LMD has agreed to follow this agenda and assist the government in implementing its plans. LMD's second step was to form a group of experts within LMD to establish methods of intervention in the animal health service provision, both in AGP and non-AGP woredas where LMD is operating. In this regard, the senior policy advisor, senior animal health advisor and the pro-poor advisor have come together to develop a workable model for the privatization of animal health services and to discuss it with government bodies both at federal and regional levels. To strengthen the model's design, LMD staff also visited the Commercial Farm Services office in Debre Zeit. Furthermore, discussions have been held with the appropriate MoA department. A draft model has been prepared by the animal health advisors and is awaiting comments and suggestions.

3.3 Cooperatives

The pro-poor advisor also facilitated the inclusion of cooperative members from food insecure woredas in LMD training. To this end, six members of cooperatives in the Amhara region (Libo Kemkem and Lay Gayint woredas) have been trained on leadership and management skills.

3.4 Women Entrepreneurship: Business Management, Marketing, Communication, Leadership and Gender

Twenty-five of the 104 women trained on leadership and business management skills were from the food insecure woredas of the four regions. After the training, market entry points were discussed with four regional women's associations, and an agreement was reached to give them a stand during trade fairs and exhibitions so that they can promote their livestock products. The trained women have applied for the grant announced by LMD and are waiting for the appraisal results.

AGP-LMD PUSH-PULL; NO TURNING BACK

During the women entrepreneurship training in Nazareth, there were 25 women participants. Out of these, three of the women were from the Productive Safety Net Program (PSNP), one who is in the process of graduating from PSNP and two PSNP graduates. The pro-poor advisor met with them to learn how they are coping with the situation after graduation and about the process of graduation. Two of them explained that they are doing better, in terms of marketing and increased profit from livestock and other income generating activities. The woman who is in the process of graduating indicated that she is better off due to the loan she received from a micro-finance institution which allowed her to buy shoats. She explained that she earns profit from both fattening and rearing.

One of the PSNP graduates, Birtukan from Adami Tulu, is 35 years old. She explained that she benefited greatly from the loan she received from Gonofa Micro Finance, which operates in her area. The loan of 4,000 ETB was facilitated by GRAD and the Household Asset Building Program (HABP), and it must be repaid within six months. Birtukan is a mother of four and her husband has four wives. She said that her husband did not allow her to go out of the house and she had little confidence in her capabilities. During the first women entrepreneurship training in Nazareth, her husband called her and tried to convince her to go back home, which she refused to do. After participating in the training she indicated that her confidence had increased and she purchased shoats which she fattens and sells in a competitive local market.



Birtukan(Right) attended women entrepreneurship training and now has a livestock business

Her husband, who visits her once in a while, believes that it is a taboo for women to leave the house for an extended period of time, leaving the children behind. However, she says, “there is no turning back.” She will continue to leave the house to buy animals that she rears or fattens. This allows her to stand on her own, decide how to allocate her money, send her children to school, and gives her control over resources rather than depending on her husband.

Now, Birtukan has applied for the financial grant that LMD announced. The competition for the grant will be difficult as she competes with better organized, educated and better placed women in the industry. However, her relentless effort and enthusiasm will help her to grow her business and realize her dream to give her children the opportunity of an education she did not have.

4. Study tour

LMD held a series of meetings with GRAD to prepare a study tour for safety net program beneficiaries in AGP woredas. The main objective of the study tour was to learn from cooperative leaders, government offices and animal markets in the AGP woredas. Finally, it was agreed that a group of beneficiaries from the Oromia and SNNPR regions would travel to Yabello, Borena. The Geda union in the Yabello/Borena area was chosen because it is considered to be one of the best livestock cooperative organizations in Oromia region. LMD's pro-poor advisor led the overall coordination for the visit, while GRAD's livestock advisor managed the selection of participants and covered the per diem and accommodation costs. LMD's IR1 meat and live animals manager and the Oromia regional coordinator also participated.

The study tour participants were from SNNPR, Sidama zone (4 woredas), Oromia, Arsi Zone (4 woredas) and SNNPR, Gurage Zone (2 woredas). In total, 52 participants travelled to Yabello. They included representatives from cooperative agencies and trade offices of government and livestock producers, particularly producers of small ruminants. Other participants included GRAD project officers from the two regions (Oromiya and SNNPR), the livestock advisor from Addis and two representatives from LMD (the pro-poor advisor and the Oromia regional coordinator).

A discussion was held between the woreda's Cooperative Office, the Office of Trade, the Geda union manager, and Borena and Woleda Roba cooperatives. The discussion focused on cooperative formation, the government role, membership contributions and their role, sustainability and leadership.

During the meeting, it was indicated that in the highland areas where GRAD is working, the formation of cooperatives has been a challenge. The main reasons cited were the farmers' preference to work individually rather than joining cooperatives, the lack of assistance from government offices (or weak assistance) and the lack of trust among individual livestock producers. Land was also mentioned as an issue in the highland areas. In comparison, in the Borena area, the issues mentioned in highland areas were generally not considered to be problems. Participants said that producers trust each other and that government offices, such as the trade office and cooperative agency, provide assistance when required. For instance, the cooperatives received support from the Borena offices when they faced problems. The woreda officials helped them to identify capable managers, facilitated credit (500,000 ETB approved by MFIs without interest), distributed oil and sugar to be sold at all levels, created market linkages with regions like Tigray and SNNPR, and established market information sharing using traditional methods.

In addition to participating in discussions with unions and cooperatives, the participants of the study tour had the opportunity to visit the livestock trade fair organized by PRIME's Southern Cluster.

The lessons learned from the visit were as follows:

- how cooperatives are organized, how members are selected, and what members' roles and contributions are
- the need for trust to grow together
- the importance of contributing money themselves for the initial capital
- the benefits of working together, in terms of profit and bulking of animals

Based on these lessons, the participants concluded that they are ready to convince those that did not participate in the study tour to join in the formation of cooperatives.

6. Other activities

Grant appraisal

The pro-poor advisor participated in the appraisal of the grant proposals received by IR1 after the first announcement, as well as appraising requests of cooperatives from the Amhara region for the second grant announcement.

7. Analysis, challenges and opportunities in the VC

Despite the challenges faced by work in the pro-poor VC during period under review, many activities have been implemented. Challenges included the following:

- There was a lack of budget to perform activities because the pro-poor woredas are outside of the AGP woredas.
- There was a lack of human resources assigned to the VC. The overall work of the pro-poor VC is planned and implemented only by the pro-poor advisor. Often times, the work had to go according to the plans of other IR areas because of the lack of budget and human resources.
- The mindset of consumers to buy products from poor households and the idea of pro-poor is not favored at all levels.

As there were challenges, there were opportunities as well. The experiences gathered from SNV's-pro-poor VC development and from other organizations, such as Save the Children and Mercy Corps, have assisted in the implementation of the push-pull strategy.

Activity Description	Unit	Target (July 2013 - June 2014)			Accomplishment (July 2013-June 2014)			Status	Remarks
		M	F	Total	M	F	Total		
Pro-Poor Value Chain									
1. Field visit to the 4 regions to assess the status of PSNP+ graduates and non-graduates.	# visits	na	na	8	0	0	8	Completed	
2. Organize quarterly "Push-Pull" coordination and progress monitoring meetings	# meetings	na	na	4	NA	NA	2	Ongoing	2 meetings organised
3. Organize quarterly MSPs per region	# MSPs	na	na	16	0	0	11	Completed	2nd quarter MSP for SNNPR and Oromia region did not fully participate in the pro-poor VC MSPs
4. Jointly organize meeting on the enabling environment based on common agendas (with IPs and RCs)	# meetings	na	na	4	NA	NA	2	Ongoing	2 meetings organised
5. Facilitate forward and backward market linkages for PSNP+ graduates	# linkages	na	na	4	NA	NA	4	Completed	Market linkages created, but deal did not come through in the end
6. Link PRIME beneficiaries and PSNP graduates to livestock markets (same activity as 1.2.4.5 under IR 1)	# beneficiaries	315	135	450	NA	NA	1610	Ongoing	1610 households from GRAD and PRIME intervention areas were able to sell their products.
7. Identify interested buyers for the graduates	# buyers	4	1	5	NA	NA	3	Ongoing	60% of the target met
8. Develop and implement joint capacity development plans for buyers	# plans	na	na	4	0	0	0	Postponed	Activity will be reviewed
9. Jointly facilitate market linkages between targeted producers and buyers	# linkages	na	na	3	NA	NA	4	Completed	
10. Develop win-win relationship between producers and downstream value chain actors including the provision of embedded services.	# contracts	na	na	3	NA	NA	4	Completed	Win-win relationship has been created but embedded services provision did not take place.
11. Capacity strengthening training to cooperatives, unions and processors in collaboration with partners on animal husbandry, health and marketing.	# cooperatives, unions and traders	na	na	16	0	0	6	Partially done	Training was provided only for Amhara Region cooperatives. It was not possible for the other regions.
12. Facilitate access to finance to PSNP+ graduates	# groups	na	na	4	NA	NA	0	Canceled	Appeared not yet feasible for the targeted households
13. Create access to variety of financial products or inputs as embedded services in conjunction with FI advisor	# products	na	na	1	0	0	0	Canceled	Appeared not yet feasible for the targeted households
14. Provide report on market information to partners together with VC advisors	# report	na	na	1	NA	NA	5	Completed	
15. Coordinate study tours to neighboring regions for graduates and non-graduates	# study tours	na	na	2	NA	NA	2	Completed	Took place in Oromia and SNNPR regions.
16. Develop market entry points for dairy and livestock value chains for women (in collaboration with Gender Equity Advisor)	# entry points	na	na	1	NA	NA	1	Completed	
17. Provide training to women's groups in business skills development, access to finance, and other technical areas as needed (in collaboration with Gender Equity Advisor)	# of modules	na	na	5	0	0	25	Completed	

AGP-LMD has continued working to integrate technologies in the dairy and MLA value chains to increase quality, production, consumption and exports by improving market linkages. In this regard, the AGP-LMD ICT team has been collaborating with key government, private and public stakeholders and partners to plan and facilitate the implementation of strategic activities where the government and private sectors have shown a growing interest and effort. Moreover, the team has organized and delivered needs-based ICT capacity building trainings to selected value chain actors, to enable them to enhance their organizational management information systems.

Key Activities and Successes

2.1 Animal Disease Notification System (ADNS)

Effective animal disease control strategies can only be based upon accurate and timely epidemiological information. Unfortunately, the performance of Ethiopia's current national animal disease notification and surveillance system is very poor, being paper-based and requiring manual data entry into an ancient DBMS, and yielding low-quality information (delays, often of several weeks duration, in reporting occurrences of disease outbreak) and incomplete (30%) coverage. This not only leads to sub-optimal levels of disease control, but also negatively impacts the quality and timeliness of the animal disease information submitted by Ethiopia to international organizations, such as the OIE. This undermines the international community's confidence in the quality and safety of Ethiopia's livestock exports.

Talking this into account, the AGP-LMD plan supports the MoA (as indicated on AGP-LMD's approved PY2 work plan, ICT Activity #7 "*Expand animal resource information system for MoA*"). In March 2013, the veterinary services directorate officially requested AGP-LMD support for the development of server-based software for an innovative, real-time animal disease notification and reporting system, ADNS.

Accordingly, the AGP-LMD ICT team, in collaboration with the veterinary directorate, the International Institute for Communication and Technology (IICD) and LMD, developed a scope of work and action memo (approved by USAID) to hire a senior software programmer who is currently working with IT experts from the MoA. The following table shows the activities that have been completed by the expert and those that are ongoing.

Summary of ADNS Implementation Progress

Activities	Status
Functional requirements: List of basic features of the system	Completed
Non-functional requirements: User interface, response to user needs, system security	Completed
Design requirements: Selection of database management system, data tables required, selection of database programming language	Completed
Architectural requirements: System work flow, approach to software development	Completed
Design requirements: Selection of database management system, data tables required, selection of database programming language	Completed
N web-alert	Completed
N Connect	Completed
N Server	Ongoing
N Web	Ongoing
Identifying a virtual server to manage incoming data	Ongoing
Modifying or creating an android mobile client	Ongoing
Continued mentoring and development of the system	Ongoing
Continuing training in use of SCRUM	Ongoing

Currently, the system is under development based on the defined requirements. It will be complete and ready to be piloted in December 2014. AGP-LMD's ICT team is providing day-to-day coordination support and monitors the proper execution of the performance of this assignment.

2.2 Strengthening the Ethiopian Meat Producers and Exporters Association (EMPEA) and Abergelle Abattoir

AGP-LMD has supported EMPEA in the development of a market-oriented web portal system (as indicated on AGP-LMD's approved PY2 work plan, ICT Activity #4 "*Develop or upgrade marketing and promotion web platform*"). With an official request from the association, the AGP-LMD ICT team provided assistance with design, content structuring, web page layout, web features and technical consultations related to configuration and hosting. The association strives to enhance marketing services to expand export markets for its members. The portal was hosted on January 2014, and it is currently accessible via <http://www.empea.com.et/>.

The portal shows different sections, which reflect activities that are primarily executed by the association. It further promotes and establishes a systematic marketing relationship with the pastoralist and live animal producers in order to create an orderly livestock supply for export abattoirs.

Within the reporting period, the AGP-LMD project also supported Abergelle abattoir in developing its website. The project has provided technical support for web design, content structuring, web page layout, web features and technical consultations including hosting configurations. The website has been hosted on the internet and is accessible at <http://abergelle.com>. The webpage contains information reflecting the type of services, capacities of production and brief information about the abattoir's market share in the livestock industry.

2.3 Needs-based ICT capacity building training

Based on AGP-LMD's ICT assessment report, a large number of actors across the value chain lack the ICT skills to enhance their organizational management information system. Based on identified gaps, AGP-LMD's ICT team has facilitated mobile literacy trainings for women entrepreneurs, general ICT training for ICT officers, and data collection, analysis, and dissemination methods and tools for livestock market price collectors and supervisors. The training was provided for livestock-focused government officials and for private sector actors such as feed processors, associations and dairy cooperatives. The training was delivered in four regions (Amhara, Tigray, Oromia and SNNP).



Women entrepreneurs receiving training on mobile literacy

The AGP-LMD ICT team developed a scope of work and action memo to hire DOT Ethiopia to deliver sector-specific ICT trainings to different actors of the value chain. Moreover, the team has traveled to the four regions to facilitate and supervise the quality of trainings as defined in the ToR. The team also evaluated the reports submitted by DOT Ethiopia and provided comments and suggestions, which were included in the final approved report.

In addition to the data collection and supervisor trainings included in the work plan, the following training was also delivered as the activity intensification instructions from AGP-LMD management.

Table: Gender disaggregated ICT training distributions at the regional level

Region	Total Number of Participants	Gender Composition		Women participation in all ICT trainings
		Male	Female	
Amhara	54	29	25	53.7%
SNNP	41	13	28	68.3 %
Tigray	32	13	19	59.3 %
Oromia	46	13	33	71.7%

Note: Currently, the AGP-LMD ICT team, in collaboration with a local consultant from IICD, is evaluating the results of the trainings, which will be finalized in this quarter.

4.3 National Livestock Market Information System (NLMIS)

Another key activity on which AGP-LMD is actively working is the reactivation of the National Livestock Market Information System (NLMIS), with better coordination and linkages with the leading body, the Ethiopian MoT, USAID and other partners such as PRIME and the FAO. The team, in collaboration with the MoT and PRIME, has drafted an MoU addressing the roles and responsibilities of each actively participating stakeholder with budget contributions to effectively run the system, which is temporarily inactive. The main objective of reinitiating the system will be to deliver up-to-date market price data, both for export and domestic buyer demands and for producer/supplier offers. The current NLMIS was designed to improve access to market information by providing simple access to timely market information. Price and volume data will be collected at designated markets and conveyed to the NLMIS server in Addis Ababa using small message system (SMS) enabled cell phones and a data coding system. The data will be then available to all interested parties via SMS query of the server or through the Internet portal <http://www.lmiset.net>.

During the second project year, livestock market price collectors and supervisors were trained in data collection techniques, data analysis tools, and procedures and methods of disseminating the information to the value chain actors. In the coming year, the AGP-LMD ICT office will work closely with the MoT at the federal level, the regional bureau of trade, and PRIME to identify more data collectors/supervisors. The office will supervise the quality of data, which will be linked with the national livestock market information system server. In addition, the ICT component will also work on developing an on-line and off-line market information system via Interactive Voice Response (IVR) to improve market linkages, including price and demand information throughout the value chains. The approval of the MoU took longer than expected, which created a challenge for AGP-LMD as the current

NLMIS was used to support the process of market price collection and dissemination. However, AGP-LMD is still pushing the leading stakeholder, the MoT, to effectively execute the new system.

4.4 Livestock Identification and Traceability System (LITS)

The LITS represents the other major innovation in information communication technology advancement. To create this system, AGP-LMD has been collaborating with the MoA and MoT, and is the lead supporter of the implementation process. To address international livestock marketing activities and improve Ethiopia's competitiveness in the sector, AGP-LMD took the lead and completed a livestock identification and traceability scoping study. The overall objective of the scoping study was to conduct on-the-ground research and determine best practices to improve Ethiopia's livestock industry competitiveness through the development and design of a livestock identification and traceability system, LITS. The analysis also included an examination of livestock identification methods being implemented in Africa, including their respective costs, adoption rates and effectiveness to find synergies between the local and regional practices. A key outcome of this assessment was a recommendation to implement a pilot LITS in selected lowland pastoral and highland areas of Ethiopia where livestock are sold both in national and international markets. AGP-LMD has finalized the work plan for the effective implementation of the system.

Furthermore, AGP-LMD organized a study tour to Namibia to visit with government officials and private sector actors to share their experiences with the country's livestock sector. The AGP-LMD ICT team participated in the study tour and learned how the livestock identification and traceability system is implemented and integrated with the market, and how the system is efficiently running and managed. The ICT team captured important lessons from the study tour, which will have significant value during the implementation of the system in Ethiopia.



4.5 AGP Knowledge Management Web Portal

In project year 2, AGP-LMD has been working on the design and development of a knowledge sharing web portal system, which was led by the MoA and mainly facilitated by AGP-AMDe. The AGP-LMD ICT team has been involved from the very beginning in the web page design evaluation and selection, content collection, organization and delivery of all necessary approved documents. These documents include AGP-LMD's end market analysis report, and pictures and videos about the Ethiopian livestock sector. Currently, the content has been uploaded to the platform and the portal is accessible via <http://ethioagp.org/?partners=agp-lmd>.

In the reporting period, AGP-LMD participated in the eLearning Africa 2014 conference in Kampala, Uganda. The conference was a great experience-sharing opportunity to discover emerging ICT solutions and best practices that are adaptable to the context of the Ethiopian livestock sector. The team prepared and shared a report with eLearning Africa 2014 impressions and recommendations, as well as a presentation titled "4 Decisions for e-Livestock". Follow-up discussions have continued and an online meeting has been held with various African and UK eLearning tool implementers about potential collaborations in the field.

4.6 Mobile Banking Technology in the Livestock Sector

AGP-LMD aims to integrate mobile banking technology into the livestock sector to enable access to finance for producers, traders and consumers across the value chain. To achieve this goal, AGP-LMD

has implemented activities such as grant facilitation for information communication technology companies that propose to introduce innovative mobile-based financial services to the livestock sector.

As a way forward, AGP-LMD will collaborate with financial institutions, including Micro Finance Institutions (MFI's), banks and relevant public, private and government institutions to customize technologies such as branchless banking by establishing an agent network which enables access to financial and mobile money services, etc.

3. Analysis

3.1 Opportunities

Recently, the government and private sector have demonstrated a growing interest in integrating ICT solutions to increase market competitiveness and improve livestock production. However, much has still to be done to elevate awareness of the potential contributions of ICT as a tool to access information about the livestock sector.

3.2 Constraints

Though progress has been made, AGP-LMD has learned that there is a visible lack of awareness and skills gap among actors across the value chain in terms of integrating ICT solutions that will enhance market shares and improve livestock production. As a way forward, AGP-LMD plans to organize ICT awareness creation sessions at the regional and federal levels in the upcoming year. Also, a lack of ICT infrastructure in the government and private institutions could negatively affect the process of implementing different ICT solutions to enhance organizational management information systems.

ICT Activity Description	Unit	2014 Target (July 2013-June 2014)			Accomplishment (July 2013-June 2014)			Status	Remark
		M	F	Tot.	M	F	Tot.		
Information and Communication Technology (ICT)									
1. Provide technical and financial support to the Ministry of Trade to collect, analyse and disseminate livestock market information using NLMIS									
1.2 Facilitate training for data collectors	# trainees	10	10	20	16	22	38	Completed	
1.2 Facilitate training for data collection supervisors	# trainees	5	5	10	11	5	16	Completed	
1.3 Facilitate training for system coordinators	# trainees	1	1	2	11	7	18	Completed	
1.4 Incentivize market data collectors, supervisors and coordinators in focus woredas	# collectors	80	40	120	0	0	0	Postponed	Due to Delay of MoU Approval
1.5 Organize an event to start official operation of the existing LMIS in selected ten Woredas	# event	na	na	1	na	na	na	Ongoing	Due to Delay of MoU Approval
2. Facilitate adaptation/development of new Market Information System									
2.1.1. Gap identification assessment									
2.1.1.1 Organize monthly meetings between key stakeholders and assess existing Livestock Market Information System	# meetings	na	na	na	na	na	3	Completed	Three technical group meetings were held with MoT and PRIME to facilitate the reinitiation of the NLMIS
2.1.2 Requirement analysis and design phase									
2.1.2.1 Organize regular meetings for system requirement integration between direct stakeholders	# meetings	na	na	0	na	na	na	Postponed	Due to Delay of MoU Approval
2.1.2.2 Organize meetings to develop business model design	# business model design	na	na	0	na	na	na		
2.1.2.3 Put system into use test system performance and make adjustments as necessary	# new MIS system	na	na	0	na	na	na		
2.1.2.4 Provide training for more data collectors and supervisors	# trainees, # trainings	0	0	0	0	0	0		
2.1.2.5 Conduct market information entry in selected woredas	# woredas	na	na	0	0	0	0	Ongoing	Detail requirement has been shared to the selected advertising company for price quotation
3. Provide video and TV productions in cooperation with communication unit to lift up producers and consumers awareness towards adapting best practices	# productions	na	na	0	na	na	na		
4. Development/upgrade marketing and promotion web platforms. (Hire BSP)									
4.1 Assess, upgrade/development promotional web platforms at national level	# platform	na	na	1	na	na	1	Completed	
	# trainees							Canceled	This activity is cancelled. The training has been provided to Ethiopian Meat Producers and Exporters Association by a private IT company contracted by Ministry of Communication and Information Technology
4.2 Provide training for web administrators		0	0	0	na	na	na		
5. Participate ICT 4Ag Conference in Rwanda; The digital springboard for inclusive agriculture	# participant	na	na	1	na	na	na	Completed	The ICT team has participated on elearning conference in Uganda based on USAID and CNFA approval
6. Development of innovative financial options (mobile banking or branchless banking)									
6.1 Organize study tours to learn experiences on mobile banking/branchless banking from similar projects in Kenya, Namibia and India for the two ICT team members	# study tours	0	0	0	na	na	na	Postponed	Due to the long grant approval process. However the ICT team has traveled to Namibia to share experiences on the countries Livestock Identification and Traceability System
6.2 Organize discussion forums with mobile banking implementing stakeholders to discuss technical, financial collaboration	#Participants	0	0	0	0	0	0		
6.3 Establish in-house design of mobile banking solution in collaboration with finance and investment office	# design	na	na	0	na	na	na		
6.4 Deploy mobile banking/branchless banking service on pre-pilot base in selected woredas	# mobile solutions	na	na	0	na	0	na		
7. Expand Animal Resource Information System (ARIS)									
7.1 Based on the gaps and limitations identified, provide strategic plan development addressing technical and financial issues	# strategic plan	na	na	1	na	na	na	Ongoing	Functional requirements, non-functional requirements, design requirements and architectural requirements are completed for the Animals Disease Notification System, ADNS.
8. Organize forums for knowledge sharing platform implementation	# forums	na	na	3	na	na	3	Completed	
9. Initiate and implement the formulation of grant funded ICT supported pilot projects with implementing partners	# projects	na	na	1	na	na	1	Completed	Evaluation for one grant applicant has been conducted though the proposal failed to fulfill the requirements set by AGP-LMD

The AGP-LMD project is designed to consider the environment at all stages of project implementation and to make environmental safeguards central to project implementation at the processor, intermediary, producer and service provider level. Environmental-related improvements and mitigation activities are included as integral parts of the selected three value chain sections of the project.

In addition, due attention has been given to proper use, amelioration and protection of resources to ensure sustainable livestock value chain systems in the AGP-LMD project area. The project uses the Environmental Review Report (ERR) and the identified Environmental Mitigation and Monitoring Plan (EMMP) to monitor and mitigate environmental activities. The Livestock Pesticides Evaluation Report and Safer Use Action Plan (PERSUAP) is also used for guidance and reference to monitor pesticides and other hazardous and toxic chemicals in the management systems of livestock value chain actors. Alternative environmental measures and monitoring approaches described in the environmental documents and prepared as part of the project activities are used to mitigate negative impacts on the social, physical and biological environment and Global Climate Change (GCC) at large.

Major environmental mitigation measures to be considered by AGP-LMD over the life of project implementation include the following:

- **Protection of environmental resources and quality:** Locate processing facilities at adequate and safe distances from sensitive receptors and habitats; avoid disruption or resettlement of populations, and adverse impacts on local business, commerce trade, and cultural and religious activities; ensure safe disposal of wastewater onsite to minimize potential adverse impacts.
- **Protection of health and safety of workers and nearby residents:** Ensure awareness on minimum use and over-ordering of hazardous materials (fuels, oils, pesticides, solvents, toxic metals); provide and refresh worker training on the proper operation and maintenance of equipment and processes; if hazardous wastes are used, provide training and refreshers on proper materials handling, management, storage and disposal; provide and refresh worker training in safety and monitoring, including access to and use of appropriate equipment to minimize adverse noise, accidents, slips-trips-falls, and electric shocks, and use of safety and personnel protection equipment (PPE)
- **Protection of societal concerns:** Use licit and appropriate material and equipment; avoid use of child labor; provide opportunities for women and youth for work and advancement; provide first aid facilities, safety equipment, separate rest areas and toilets for men and women, safety signage and other amenities necessary for facility operations and staff; provide training, record keeping and documentation.

Major Results Achieved

- **Environmental Compliance Reports Prepared and Submitted To USAID**
 - AGP-LMD project level initial environment examination and investigation report.
 - AGP-LMD project level Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP).
 - AGP-LMD project level Environmental Review Report (ERR) and Environmental Mitigation and Monitoring Plan (EMMP).

- **Knowledge and Capacity on Environment Enhanced**
 - In total 189 people (including 31 women) benefited from training events organized during the year. Participants included private actors, government and project staff.
- **Grant Documents Reviewed for Environmental Compliance**
 - 211 grantees' business plans were evaluated on their consideration of environmental issues in their projects.
 - Five grant-related and training documents were reviewed for their environmental soundness.
 - 24 grantees' proposals were reviewed for ERR, EMMP and submitted to USAID; of these, 18 have been approved and six are in the final stages of approval.

Activities Contributing to Results

i. Technical Capacity and Capabilities of Staff of Pertinent Stakeholders on Livestock and Environmental Issues Enhanced

During the reporting period, six trainings were conducted for pertinent stakeholder staff on various livestock and environment related topics (Activities #2.1, 2.2, 2.3, 2.4 and 3.5). The trainings were conducted in Oromia, Tigray and Amhara regions and were attended by a total of 189 people (31 women and 158 men).

Major topics covered in the organized events included:

- Integrated pest management
- Conservation-based forage development
- Waste management in dairies, feedlots and abattoirs
- Biological materials handling, storage, application and disposal
- Solid waste management

Table: Summary of Trainings

Topic of Training	Region	Total	Women	Men	Remarks
Solid waste management	Oromia	21	1	22	
Conservation-based forage development	Tigray and Amhara	49	11	38	
Waste management	Oromia	22	4	18	
Biological materials handling, storage, application and disposal	Oromia	17	1	16	

	Total	189	31	158	
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ii. Relevant Documents on ERR and EMMP Prepared and Approved

- ERR and EMMP were prepared and approved for six businesses, and Requests for Categorical Exclusion (RCE) were made for two prospective grantees (Activities #1.1 and 1.4). Twenty-four grantee proposals were reviewed for ERR and EMMP and submitted to USAID; of these, 18 have been approved and six are in the final stages of approval.
- In a related matter, AGP-LMD's PERSUAP was finalized and submitted to the USAID-Ethiopia office during the reporting quarter.
- Three training documents – Sustainable Organic Agriculture (SOA), Conservation Based Forage Development, and Integrated Pest Management – were prepared and distributed to participants. In addition, a manual for community animal health workers was reviewed in relation to the inclusion of information related to environmental management.

Table: Status of Grantees' ERR and EMMP Documents

Current Status	Number
Documents cleared and approve	18
Final review stage	6
Total	24

iii. Establishment of Model Biogas Digester for Dairy Farms, Feedlots and Abattoirs in Selected LMD Woredas

AGP-LMD has hired a local consultant, to develop and introduce biogas digester plants. These plants serve as demonstration and learning sites for future expansion of the technology to medium and large-scale businesses.

The specific objectives and main tasks of this assignment are as follows:

1. Conduct a quick assessment of the feasibility of selected commercial dairy, slaughterhouse, and feedlot businesses in terms of suitability, capacity, willingness, etc. to the application of biogas to their respective businesses.
2. Select the best fit from all three types of businesses (one business per sector).
3. Prepare designs that fit the type and/or for a particular business when relevant.
4. Estimate budgets for the establishment of various designs of biogas digesters.
5. Based on the assessment, make other relevant recommendations to be included in the action plan.

6. Prepare a one-year implementation plan (activity and budget) to be accomplished in the year 2014/15.

Activities Accomplished to Date

1. Document reviewed.
2. Survey instrument/tools developed for field assessment.
3. Field level assessment conducted and data collected from 19 private businesses (nine dairy farms, five feedlots and four abattoirs) in SNNP and Oromia regions.

Ongoing Activities

1. Conduct data and facts collection and a quick feasibility assessment for the remaining 18 private businesses (six dairy farms, six feedlots and six abattoirs) in Amhara and Tigray regions.
2. Report compilations:
 - a. appropriate biogas design selection for selected businesses
 - b. budget estimation
 - c. piloting implementation plan

When the local capacity builder completes the assignment and develops a model, selected businesses will be able to build and utilize their bio-digester plants, which will contribute to energy saving and the protection of the environment.

Challenges and Opportunities

- Private business owners, including feedlot operators, dairy processors, abattoirs owners and municipal slaughterhouses, give minimal attention to the protection and upkeep of the environment. This is due to both a lack of knowledge and lack of experience.
- Related to the above, the low technical skill of staff employed by private operators also contributes to the lack of emphasis on environmental compliance.
- Environmental issues are considered a requirement but not a responsibility because of the lack of enforcement capacity of the regulatory authority.

Activity Description	Unit	Target (July 2013- June 2014)			Accomplishment (July 2013-June 2014)			Status	Remark
		M	F	Tot.	M	F	Total		
ENVIRONMENTAL MONITORING AND MITIGATION STRATEGY									
1. Environmental Reviews, Mitigation and Monitoring									
1.1 Conduct environmental reviews for project activities and develop EMMPs for high environment risk activities	# ERRs and EMMPs developed	na	na	15	na	na	80	Completed	Yearly target is overly achieved.
1.2 Review the PERSUAP for MLA and dairy Value Chains	# reports	na	na	1	na	na	1	Completed	
1.3 Implement EMMPs	# EMMPs implemented	na	na	13	na	na	88	Completed	
1.4 Review LMD training manuals and other documents(e.g. business proposals) about their environmental friendliness.	# reviewed documents	na	na	8	na	na	20	Completed	
Activity Description	Unit	Target (July 2013- June 2014)			Accomplishment (July 2013-June 2014)			Status	Remark
		M	F	Tot.	M	F	Total		
2. Meat and Live Animal Value Chain									
2.1 Organize training on Integrated Pest Management(IPM) and supervision, monitoring and evaluation (M&E), rodent control by IPM and rodenticides per PERSUAP.	# trainees	35	15	50	0	0	0	Postponed	
2.2 Training on multipurpose forage species; practicing soil and water conservation measures and proper farming methods (rotational cropping , alley farming, use of cover crops)	# trainees	60	40	100	0	0	120	Completed	
2.3 Training on environmentally sound meat product packaging	# trainees	45	30	75	0	0	0	Postponed	
2.4 Training or refresher on veterinary medicines, biological handling and storage: manufacturing, application, storage, disposal (2 events in 2014)	# trainees	40	20	60	0	0	30	Partially completed	
Activity Description	Unit	Target (July 2013- June 2014)			Accomplishment (July 2013-June 2014)			Status	Remark
		M	F	Tot.	M	F	Total		
3. Dairy Value Chain									
3.1 Training on effects of raw milk and milk products for human health	# trainees	45	30	75	0	0	60	Completed	80% of target achieved
3.2 Training on procurement, storage, management, use, disposal of hazardous chemicals	# trainees	30	20	50	0	0	0	Postponed	
3.3 Experience sharing tour on good environmental practices (2 events in 2014)	# people participated in experience sharing visit	15	15	30	0	0	40	Completed	
3.4 Training on procurement, storage, management , use, and disposal of in hazardous chemicals (2 events in 2014)	# trainees	30	20	50	0	0	0	Postponed	
3.5 Training on solid waste management (1event in 2013 and 2 in 2014)	# trainees	20	30	50	24	36	60	Completed	

SUMMARY OF COMMUNICATIONS AND OUTREACH ACHIEVEMENTS

Objectives

The communications activities within the last project year focused on supporting the overall AGP-LMD's commitment under the work plan with emphasis on specific objectives. These objectives include;

- Create and raise awareness of the project and the types of assistance it provides to targeted audience;
- Create and raise awareness that the assistance is from the American people through USAID's Feed the Future;
- Ensure USAID and Feed the Future are well informed about the Project's outcome/impact;
- Ensure that the project's experiences and learnings shared with the wider stakeholders/public;
- Enhance staff members and partners' effective communications capacity

Approaches

The communications approaches applied under the above objectives ensured that the project's stakeholders at different levels had access to timely, relevant and clear information about the project and its activities. By applying the USAID's branding and marking guide; print and electronic media in form of press kit, periodical reports, articles; including success and case stories based on various public events, international and local media coverage, visuals including photographs and videos were among the tools used to communicate about the project activities. The preparation and dissemination of information as well as the tools used had considered a two-way communication with emphasize on project beneficiaries/stakeholders being the primary source of information. This was mainly in sourcing out information for over 20 articles written and shared through different channels about the direct and indirect changes that the project is making on the livelihoods of communities. Websites (including Facebook, blogs and other social media of USAID and CNFA), the AGP portal, relevant public media, promotional items produced within the office, and periodical reports were used to disseminate information to targeted audience.

To create and raise awareness that the project is funded by the American People through USAID's Feed the Future, the communication unit ensured the developing of new promotional items and upgrading of the existing ones according to the branding and marking regulation of USAID. These were achieved along the confirmation of produced materials with the communications team at the USAID's Ethiopia office and CNFA's headquarters. Some of the outcomes in this regards include: development of standard banners in different languages of the project's implementation regions, production of standard certificate to be used for different trainings under the project, factsheets on the general activities of the project, and redesigning of project folders and business cards for staff members. *(Above: AGP-LMD-organized workshop participant at the Hilton Hotel going through information pack provided by USAID's AGP-LMD)*



Events and Public Relations

According to the purposes for communicating and the targeted stakeholders, the communications unit played a prominent role in planning, organizing, coordinating and participating in project related public relations events. Some events included the grants award ceremony, The World Schools Milk Day's question-and-answer show filming, the African Livestock Exhibition Conference (ALEC), Women's Day, Founding Workshop of Ethiopian Milk Processors Industry Association (EMPIA), US Senators' visit, and the participation in the International conference on "Building Resilience for Food and Nutrition Security". These occasions were used as opportunities for raising awareness about the project and its stakeholders at various levels. (Right: A participant of Building Resilience for Food and Nutrition Security' conference at the Sheraton Addis collecting promotional materials from USAID's AGP-LMD exhibition table)



To further maintain a mutually beneficial relationship between the project and its stakeholders, a communications intern from the United States was assigned to AGP-LMD. This assignment, the first of its kind for the communications unit, enabled the intern to provide services in her area of experience for about two month while she acquired direct exposure to USAID's AGP-LMD project works.

Enhancement of Staff Members and Partners' Effective Communications Capacity

In December 2013, during a monthly learning day, staff members of the project were given a general lesson on basic tools and ways of effective communications. The lesson incorporated a briefing on how to write impact-oriented success stories, USAID's branding and marking rules, standard power point presentation format, and the power of good quality photos in enhancing the impact of text messages.



The project's partners at various levels were also supported through promotional materials production and guidance on usage. These include the production of over 15 promotional banners for Ruth & Hirut Milk Production and Processing Enterprise and for Project Mercy—an organization that works in partnership with USAID. It is also in this project year that the communications unit designed a brochure and a pull up banner for the Ethiopian Ministry of Agriculture's country program paper on Drought Resilience Sustainable Livelihood Program. (Above: Hirut Yohannes, owner of Milk Production & Processing Enterprise using some of the banners at the African Livestock Exhibition and Congress (ALEC) in May 2014.

ANNEX

List of clients for AGP-LMD partners by VC							
Name of partners/clients (todate)	Value chain	Type of partner/client	Area of business (producer/processors)	Location			Brief status of partnership with the project todate
				Region	Office address (town)	Contact address (telephone)	
ADVEST AI Services	Dairy	Private business	Supporters	SNNPR	Hawassa		Revised/upgraded business plan & linked with banks - early stages
ALPPIS	Dairy	Private business		Oromia	Addis Ababa		Send to India for exhibition, dairy visit and workshop. Bank loan approved & disbursed without credit gurantee
ALMI Dairy Processing	Dairy	Private business	Processor	SNNPR	Hawassa		Send to India for exhibition, dairy visit and workshop. Bank loan approved & disbursed without credit gurantee + Linked with bank + Product diversification
Alemayehu AI Services	Dairy	Private business	Supporters	Amhara	B/Dar		Revised/upgraded business plan & linked with banks - early stages
AMEN Milk Processing	Dairy	Private business	Processor	SNNPR	Hawassa		Revised/upgraded business plan & linked with banks - early stages
Arsi dairy Cooperatives Union	Dairy	Private business	Processor	Oromia	Arsi		Market linkage, linked with ALPPIS, Ethio-feed and Sebeta Agro-industry.
Dr. Alemtehay Dairy Farm & Animal Feed	Dairy & MLA	Private business	Producer & Processor	Oromia	Nequemt	917444306	Revised/upgraded business plan & linked with banks - advanced stages
Elemitu	Dairy	Private business	Producer & Processor	Oromia	Sululta		Went to India for exhibition, dairy visit and workshop
Emebet & her children dairy processing	Dairy	Private business	Processor	Amhara	B/Dar	918353635	Revised/upgraded business plan & linked with banks - advanced stages + Grantee +Product diversification
Emuye Family Hood Dairy Farm	Dairy	Private business	Producer	SNNPR	Hawassa		Revised/upgraded business plan & linked with banks - early stages
Endalk Dairy Farm	Dairy	Private business	Producer	Oromia	Adama	911253099	Bank loan approved & disbursed with DCA credit guarantee
Family milk	Dairy	Private business	Producer	Oromia	Addis Ababa		Technical support + Advising on dairy equipment manufacturing in India.
Fikerte Dairy Farm	Dairy	Private business	Processor	Oromia	Holeta	911475395	Bank loan approved but dibursment put on hold by bank's branch office
GAPE Dairy Farm and Plc	Dairy	Private business	Producer & Processor	Amhara	Debremarkos	915566326	Revised/upgraded business plan, profile developed & linked with banks and equity investors - advanced stages, technical support + advised on dairy equipment manufactureres in India.
GUTS Agro Industry	Dairy	Private business	Processor	Oromia	Addis Ababa	916581288	Revised/upgraded business plan, profile developed & linked with banks and equity investors - advanced stages
Jimma Dairy Farm	Dairy	Private business	Producer & Processor	Oromia	Addis Ababa	911227210	Project being assessed by AGP-LMD for loan guarantee
Kal-Mer Dairy Farm	Dairy	Private business	Producer	SNNPR	Hawassa		Revised/upgraded business plan & linked with banks - early stages
KOBEL General Business Plc	Dairy	Private business	Processor	Oromia	B/Dar	918266724	Revised/upgraded business plan & linked with banks - inactive
Mulu Negash Dairy Farm & Processing	Dairy	Private business	Producer & Processor	Tigray	Mekele	914706088	Revised/upgraded business plan & linked with banks - advanced stages
Life Agro Industry	Dairy	Private business	Processor	Oromia	Addis Ababa	911408218	Send to India for Exhibition, dairy exhibition, dairy visit and workshop. Revised/upgraded business plan, profile developed & linked with banks and equity investors - advanced stages + Product diversification
Rut & Hirut Agro Processing	Dairy	Private business	Processor	Amhara	Debrebirhan	911547495	Revised/upgraded business plan & linked with banks - early stages for product diversification
S&S Agro Industry	Dairy & MLA	Private business	Processor	Oromia	Modjo	911206146	Revised/upgraded business plan & linked with banks - advanced stages
Wise team	Dairy	Private business	Processor	Oromia	Addis Ababa		Market linkage, business to business
Yakila milk processing	Dairy	Private business	Processor	Oromia	Nazereth		Send to India for Exhibition, dairy exhibition, dairy visit and workshop.
Yedidya Dairy	Dairy	Private business	Producer	SNNPR	Hawassa		Revised/upgraded business plan & linked with banks - early stages