

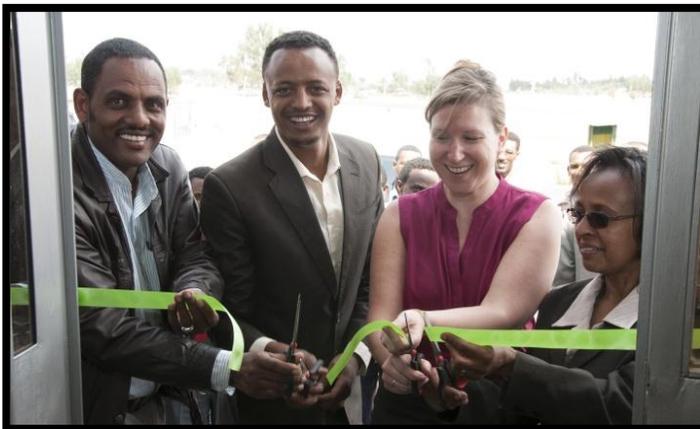


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Entrepreneurship

Commercial Farm Service Program (CFSP)



Final Program Report

(September 1, 2012 – December 31, 2014)

Submitted to USAID/Ethiopia

March 3, 2015

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Executive Summary

Background

Throughout Ethiopia, efforts to expand agricultural productivity and enhance food security are chronically constrained by a shortage of quality agricultural inputs and a farm service sector that is not well developed and that lacks the capacity to meet the growing needs of smallholder farmers. Critical agricultural inputs (quality seeds, fertilizers, plant protection products, and veterinary supplies), agricultural extension services, and machinery services are not available when and where needed. Producers often have limited access to market information and output marketing services, thus forcing them to sell their produce at the farm gate when prices and profits are lowest.

With a very large portion of the population relying on agriculture, the Government of Ethiopia (GoE) has placed greater emphasis on increasing agriculture production to improve both household-level livelihoods and Ethiopia's economy. Approaching the end of its five year "Growth and Transformation Plan," the GoE will soon review progress in achieving the planned 8.1% annual agricultural growth, enhanced productivity and production of smallholder farmers; strengthened marketing systems; and improved participation and engagement of the private sector. In addition to measuring GDP, and as part of the "New Alliance" and Private Sector Development Task Force, the GoE also identified policy commitments that aim to improve the policy environment around agriculture production and enterprise development, with a special focus on the existing gap in the agricultural input supply system and its implications for national production and productivity.

CNFA's Farm Service Center Model

As a viable solution to the aforementioned constraints and targets, CNFA believes that private sector enterprises – when equipped with financial support and improved business and technical skills – can offer high-quality, market-oriented products and services that will enable both optimum farmer results and translate to customer loyalty and business sustainability. CNFA's successfully developed and implemented **Farm Service Center (FSC) model** is an example of such solution, as it is a market-based, private sector business model for the delivery of farm supplies and services. CNFA has established FSCs throughout Georgia, Moldova, and Afghanistan to serve as sustainable, one-stop-shops that provide a wide range of quality inputs, services, and information that farmers need to improve their on-farm production and incomes. Considering lessons learned from these programs, CNFA designed the 2012-2014 Commercial Farm Service Program (CFSP) to apply the FSC model to the Ethiopian context, to support GoE efforts to improve agricultural production, to improve the regulatory environment for private-sector interventions and, by providing locally-owned retail access to inputs and services, to increase yields, improve livelihoods and have a positive impact on national GDP.

CFSP Program Overview

Over a two-year implementation period, the Commercial Farm Service Program (CFSP) aimed to support the creation of **six viable input supply Farm Service Centers (FSCs)** in Oromia regional state. While only six FSCs were established, the network has the ability to support the input supply sector in Ethiopia by providing brand label, high quality inputs through safe and environmentally sound stores. Each FSC is operational and providing smallholder farmers with

quality inputs and services, customized to their production needs, all of which are accompanied by **expert agronomic and veterinary consultations and training**. CFSP has provided these locally-owned businesses with uniform branding, technical and business management training, and assistance with inventory management, marketing, and agriculture extension and outreach. CFSP facilitated the creation of linkages, technology transfer and training with business owners and multinational input suppliers. And to support the sustainability of these FSCs, CFSP has established a **wholesale buying cooperative**, owned by and dedicated to serving the inventory needs of each FSCs and linking them directly with top-tier national and international suppliers.

Project Goals and Objectives

The primary goal of CFSP was **to improve smallholder productivity, food security and incomes through the development of sustainable, private sector driven agricultural input supply and service centers**.

As a secondary goal, CFSP also sought to **demonstrate the viability of the FSC model as a platform for larger-scale public-private partnerships to expand Ethiopian smallholders' access to inputs, training, and services**.

To achieve these goals, CFSP set out to meet the following objectives:

- Establish six locally (Ethiopian) owned, retail farm supply and service centers (FSCs) with inventories, training, services and output market linkages tailored to market demands in their areas;
- Create a wholesale buying cooperative owned by and dedicated to serving the inventory needs of the FSCs and linking them to national and international suppliers;
- Deliver uniform branding, business skills, technical/advisory capacity, quality standards, environmental and worker safety procedures among the network; and
- Promote FSC-led farmer outreach activities, including training seminars, demonstration, and field days, to showcase the impacts of improved inputs and improve farmer production skills.

Key Program Accomplishments

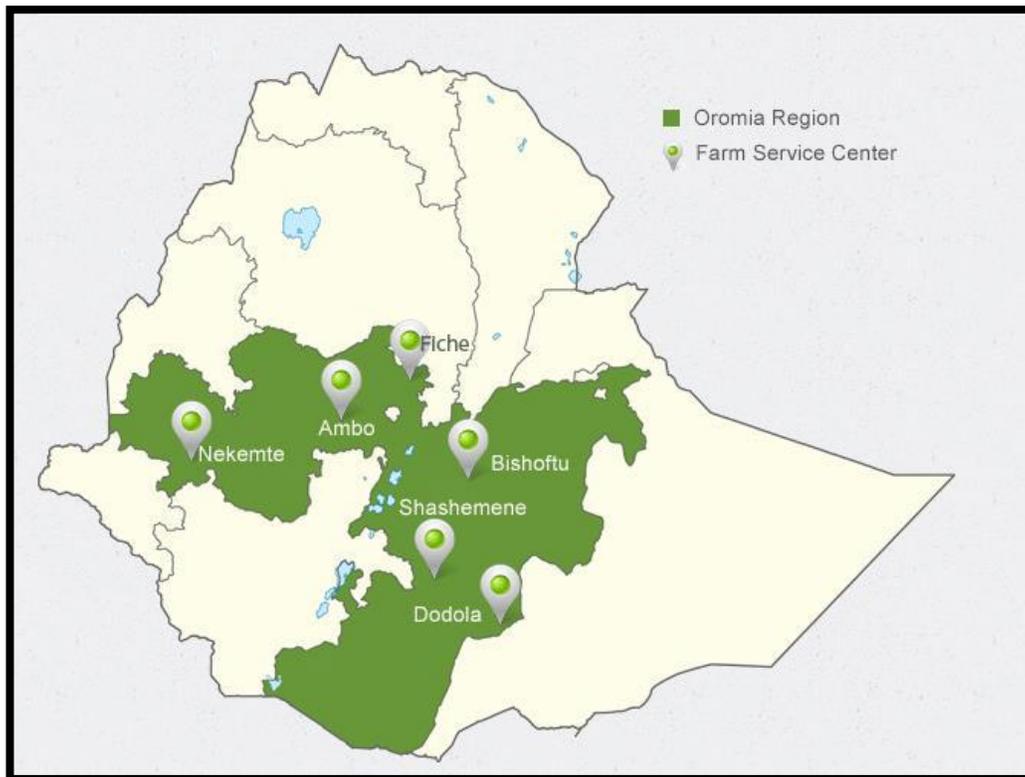
To achieve the aforementioned program goals and objectives, CFSP developed intensive work plans that both outlined the standards and timelines for renovation/construction of the six physical FSC structures and focused heavily on the capacity building of FSC staff in the areas of uniform branding/marketing, environmental mitigation/workers safety, gender integration, basic business management and FSC-led trainings and demonstrations for local smallholder farmers. Following FSC establishment, CFSP developed a work plan for establishing the Addis-based wholesaler, which is now licensed as **EGAA Agricultural Input Suppliers PLC**. This seventh and final enterprise has a business plan that focuses on consolidating the inventory needs of the six aforementioned FSCs to better access high quality and bulk discounts.

Having received a four month no-cost-extension, the CFSP period of performance totaled 28 months. In this short period of time the program established seven new Ethiopian-owned and operated enterprises that **created over 56 new jobs, trained over 1,751 individuals** in food security and good agricultural practices, **reached over 29,231 farmers with new technologies, generated over \$3.2 MM in sales and \$1,773,906 in matching private investment**

CFSP Project Locations

CFSP established six Farm Service Centers (FSCs) in the Oromia regional state of Ethiopia. Of these six, one is a woman-owned enterprise, two are owned by Farmer Cooperative Unions (FCUs), and three are owned by private entrepreneurs. The six selected CFSP grantees include:

- Ambo – Gadissa Gobena Commercial Farm Products PLC
- Bishoftu – Alema Farms PLC
- Dodola – Raya Wakena Farmers’ Cooperative Union
- Fiche – Biftu Salale Farmers’ Cooperative Union
- Nekemte – Etafa Mekonnen Crops Trade
- Shashamane – Barite Agricultural Inputs Trader



Performance Benchmarks

As seen in the indicator table on the following pages, CFSP was able to meet and exceed many of the programmatic and Feed the Future indicators. Remarks for both positive and negative deviations are also noted in the table and expanded upon later in this document.

Indicator	Base - line	Target/Actual									Remarks
		Y1	Q5	Q6	Q7	Q8	Q9	LOP ACTUAL	LOP TARGET	DEVIATION	
FTF Indicators (targets/actual)											
4.5.2 Number of jobs attributed to FTF implementation	0	20/42	0/2	0/2	10/0	10/10	0	56	40	+16	Deviation a result of turnover in FSC staff
4.5.2.5 Number of farmers and others who have applied new technologies or management practices as a result of USG assistance (disaggregated by sex; cumulative at LOP)	0	5000/0	1,000/1457	2,000/8,185	15,000/7,429	30,000/7,811	4,349	29,231	30,000	-769	Indicator assumes those who attended trainings will adopt new technologies and practices; Target slightly less than actual t as a result of implementation delays in FSC construction/renovation
4.5.2.7 Number of individuals who have received USG supported short-term agricultural sector productivity or food security training (disaggregated by sex; cumulative at LOP)	0	100/178 101F: 77M	300/462 148F : 254M	500/ 404	1,000/ 211 45F: 66M	1,000/ 151 12F: 139M		1,751	1,000 (50% women)	+751	Deviation as a result of more than expected turn-out of farmers and development agents during trainings
4.5.2-11 Number of food security private enterprises (for profit), producers' organizations, water user associations, woman' s groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance (disaggregated by sex; cumulative at LOP)	0	7/9 4 F: 5 M	6/6	9/ 6	9/19	12/ 7	7	54	12 (25% women)	+42	High deviation a result of double counting on FSCs throughout program quarters; CFSP estimate is 23 which includes 6 FSCs, EGAA and women' s groups and other community organizations
4.5.2-29 Value of agricultural and rural loans (disaggregated by sex; cumulative)	\$0	\$15,000/ \$0	\$0/ \$0	\$5,000/ \$180,439	\$40,000/ \$0	\$80,000/ \$0	\$0	\$180,439	\$80,000 (25% women)	+\$100,439	Deviation a result of one high value loan. Other FSCs were invited to also use CFSP support but only Nekemte FSC was interested.
4.5.2-30 Number of MSMEs, including farmers, receiving USG assistance to access loans (disaggregated by sex;	0	6/6	6/6	7/7	7/7	7/7	7	7	7	-	Includes 6 FSCs and EGAA PLC

cumulative)											
4.5.2-37 Number of MSMEs receiving business development services from USG assisted services	0	6/6	6/6	7/7	7/7	7/7	7	7	7	-	Includes 6 FSCs and EGAA PLC
4.5.2.38 Private sector matching investment leveraged (USD)	0	\$282,500/ \$251,711	\$30,500/ \$87,334	\$20,500/ \$26,298	\$27,000/ \$866,648 (mostly matched by inventory)	\$24,000/ \$541,915 (mostly matched by inventory)	\$472,929 (mostly matched by inventory)	\$1,773,906	\$354,600	+\$1,419,306	Deviation a result of most match in form of high cost/quantity of inventory
Overall Program Impacts (targets/actual)											
FSCs established (ownership of FSCs disaggregated by sex)	0	6/6 1 F: 5 M	-	-	-	-	-	6	6	-	-
Value of FSC sales (USD)	\$0/ \$0	\$650,000/\$0	\$50,000/ \$14,516	\$60,000/ \$538,983	\$200,000/ 1,446,732	\$500,000/ \$779,271	\$457,524	\$3,237,026	\$500,000	+\$2,737,026	Deviation a result of sale figures including Nekomte FSC sesame sales; Bishoftu FSC feed sales; and Fiche/Dodola FSC fertilizer sales
Increased farmer incomes (measured by per capita expenditures - disaggregated by sex)	0	0/0	-	-	-	-	-	-	20%	-20%	Indicator not able to be measured during LOP
Value of farmer output marketed through FSCs	\$0	0/0	-	-	-	-	-	-	TBD	-	Indicator not able to be measured during LOP
Inputs supplied by wholesale buying cooperative (cumulative in USD)	0	\$100,000/ \$0	\$0/ \$0	\$0 /\$0	\$50,000/ \$0	\$200,000/ \$0	\$0	\$0	\$200,000	-\$200,000	Indicator not able to be measured during LOP
Number of households directly benefiting from USG interventions (cumulative at LOP)	0	5,000/ 232	1,000/ 1,457	2,000/ 8,185	15,000/ 7,429	30,000/ 7,811	4,349	29,695	30,000	-305	Target not met as a result of implementation delays in FSC renovation
Number of field days and exhibitions	0	24/0	0/0	2/25	4/5	12/2	11	43	42	+1	-
Number of GoE Extension Agents taking part in trainings	0	0/11	33 8F : 25M	-	12/9	0/12	113 17F: 96M	178	12	+166	Deviation a result of programmatic effort to include GoE staff in trainings to build relationship between FSCs and local GoE

											Agents
Number of grant applications received (disaggregated by sex)	0	25/27 6 F: 21 M	-	-	-	-	-	27 6 F: 21 M	50	-23	Deviation a result of market interest in grant application
Number of activities conducted for the outreach campaign	0	9/9	-	-	-	-	-	9	9	-	-
Number of FSCs and other private input suppliers benefitting from the creation of the wholesale buying cooperative	0	6/0	0/0	6+/6	6+/6	9+/6	6	6	9+	3	Deviation a result of delays in establishing EGAA PLC. Upon a year of operation it will be more sound as a business to open up membership
Value of the volume discounts offered by the wholesale buying cooperative	0	-	-	-	-	-	-	-	TBD	-	Indicator not able to be measured during LOP
Cross Cutting (targets/actual)											
Number of gender assessments conducted	0	1/1	-	-	-	1/0	-	1	2	-1	Deviation a result of the program focusing on other gender activities rather than an assessment
Proportion of target population reporting increased agreement with the concept that males and females should have equal access to social, economic, and political opportunities	0	-	-	-	-	-	-	-	80%	-	Indicator not able to be measured during LOP
Percentage beneficiaries benefitting from other ongoing nutrition programs due to CFSP linkages (disaggregated by sex and age group)	0	38%/0%	0%/0%	0%/0%	0%/0%	0%/0%	0%	0%	38%	-	Indicator not able to be measured during LOP

FSC Development

Activity Overview

At program inception, major emphasis was given to **Woreda surveying** and identifying high potential areas for FSC establishment and CFSP staff visited over 19 locations in 14 AGP-Woredas (districts) to assess suitability and market demand. From these 19 locations, CFSP identified target locations and conducted nine promotional campaigns and town hall style meetings/presentations to reach potential business partners for FSC establishment.



Minda; Bishoftu FSC Customer

Following these **outreach campaign events**, CFSP received a total of 27 applications for matching grants to establish FSCs. After a thorough **grant evaluation process**, CFSP staff conducted site visits to shortlisted applicants and selected six grantees.

After **selection of the six grantees**, CFSP staff worked with each to develop a business plan, and the program held a formal grant signing ceremony. Each of the six grants valued \$40,000 wherein USAID funds were used to hire technical staff, purchase of office equipment, environmental mitigation and strong marking and branding. In addition to USAID's contribution, grantees had to provide a minimum match of \$40,000 wherein FSC-member funds were used for inventory, additional staff, and any construction/renovation that was not environmental.

FSCs hired their staff shortly after signing the grants and the program provided **Business Management Training (BMT)** and **Technical Training** courses to the General Manager, Accountant, Agronomist, Veterinarian and Sales Clerks from each center.

Upon meeting the established FSC standards for **construction/renovation**, environmental mitigation, branding and marking, and initial inventory stocking, each FSC hosted a high-profile ribbon cutting ceremony to gather key stakeholders and promote the establishment of the FSC within the local and Addis-based agricultural communities.

Shortly after the initial FSCs ribbon cutting ceremonies, CFSP staff identified the need to provide **supplemental technical assistance** in business management practices, accounting, human resource management, monitoring and evaluation and marketing & communications to FSC staff members. In addition, CFSP also delivered location-specific technical trainings at each FSC that tailored to the crop and livestock production of their respective areas.

Following the extensive training of FSC staff, the program worked with the Agronomists and Veterinarians at each center to develop and conduct **FSC-led farmer trainings and demonstrations** for local farmers that focused on improved production technologies for major crops, **livestock husbandry practices, and safe pesticide application procedures.**

Formally open for business for one calendar year, each of these FSCs now provides smallholder farmers with brand-labelled, high quality inputs and services, customized to local production needs. In addition to inputs and services, farmers can visit uniformly branded and environmentally responsible stores to receive, directly from FSC staff, expert agronomic and veterinary consultations and training.

FSCs at a Glance

Most of the FSCs have been operational for one full year of business. In just four quarters – **the collective sales for the six FSCs total more than \$3.2 million and over 29,231 customers were served both in sales as well as new technology adoption.**

Indicator	LOP Total
Sales; inputs and services (\$)	\$3,228,314
Profit (\$)	\$238,825
Inventory stocked (\$)	\$3,026,619
Customers (M:F)	29,231 Total 25,139 M 4,092 F

Woreda Selection and Outreach Campaign

During the start-up phase of the program, CFSP customized the grant application materials to the local business and legal context; developed applicable evaluation criteria; produced marketing and branding materials for the promotional campaign and established the location criteria for conducting an outreach campaign and subsequent FSC establishment. Criteria for these sites included:

- AGP member sites (Woredas);
- Presence of other implementing partners;
- Input use culture of the local community;
- Potential of the area to enable FSC a year-round business undertaking;
- Demand-supply ratio of input and services;
- Quality, quantity and timely supply of inputs and technical services;
- Challenges that may handicap the success of the program; and
- Opportunities to mitigate the challenges.

Following site selection based on the above criteria, CFSP established collaborative relationships with the local Oromia Bureaus of Agriculture and conducted promotional campaigns, town hall style meetings, and developed flyers, brochures and radio adverts to raise awareness and visibility of the grant opportunity and business model.

Using set criteria, CFSP staff visited 19 locations (in 14 woredas) to make physical observations and conduct interviews with officials from the local Oromia Bureau of Agriculture, private entrepreneurs, Primary Farmer Cooperatives and Farmer Cooperative Unions. Out of the 19 sites visited, 10 were selected as potential sites for the establishment of FSCs.



CFSP Outreach Campaign event in Bishoftu

CFSP then conducted nine promotional campaign and outreach events with the campaign motto of, “**Rural Entrepreneurship is the Path to Prosperity.**”¹ CFSP networked with district leaders to mobilize potential beneficiaries to come to the town hall meetings/presentations to thoroughly explain the goals and objectives of the project, and the application, selection and grant award processes. CFSP also produced radio advertisement, stand-up banners and various local print media (leaflets, posters, flyers) to mobilize entrepreneurs to apply for grants. A total of 299 potential beneficiaries and zonal government office representatives attended these events, and of the 299 participants, 63 were women. From the nine town hall style meetings, the program received a **total of 27 grant applications** (6 of which were from female applicants), exceeding the target of 25 total applications.

Evaluation, Selection, Design and Approval of FSC Grants

Upon receiving FSC grant applications, CFSP conducted an evaluation and selection process in two review sessions. In each session, applications were scored by a team of four CFSP staff that included the Deputy Chief of Party (DCOP), Finance Specialist, Training and Extension Specialist and Environmental Specialist. Each reviewer independently scored the 27 received applications using an evaluation form that was linked directly to the questions in the application form and allocated points for the quality of information provided. Once an application was scored by all reviewers, the reviewers met, discussed the applications and their scores, and arrived at a consensus, averaged score for each application. The review committee gave preferential consideration to applications submitted by women and that demonstrated a particular benefit to women, and that were among the GoE's 83 priority development Woredas. The evaluation form consisted of three core competency areas as described below:

- **Corporate Capability (30 pts.)** including: the applicant's professional staff (8/30), organizational experience (10/30), and financial status (12/30).
- **Project Goals and Business Strategy (35 pts.)** including: project goal (6/35), market analysis (6/35), relationships with suppliers (3/35), operational plan (8/35), and project budget (8/35).
- **Project Impacts (35 pts.)** including: pro-forma financials (18/35), and beneficiaries (17/35).

Following these two review sessions, CFSP gave the highest scoring applicants priority in receiving site visits. CFSP staff conducted a total of **nine site visits**, which verified the information provided in the applications, evaluated the proposed FSC location which included an initial environmental assessment and an initial local market survey aimed to verify local demand and appropriately tailor FSC design. After close evaluation, **CFSP selected six grantees based on high evaluation scores and successful site visits.**

Following grantee selection, CFSP staff then worked with the successful applicants to design a **business plan for each FSC**. Each business plan outlined the grantee qualifications, the target market, the budgetary and matching investments, and programmatic and financial milestones/targets. Following review and approval from both CNFA HQ and USAID, the grantees and Chief of Party signed grant agreements and grant certificates were signed at a **Grant Signing Ceremony** held on June 4 2013 at Jupiter Hotel in Addis Ababa, Ethiopia.

¹ While the survey resulted in ten top ranking sites, CFSP decided to merge the Shashamane and Dodola town hall meeting due to their close proximity and therefore only held nine outreach events.

Facility Construction and Launch

Upon FSC business plan approval and grant agreement finalization, CNFA worked with grantees to identify facility **construction and/or renovations**. Design plans included in the approved business plans served as a reference point for determining the layout of each FSC. CFSP clearly conveyed to grantees that, while floor plans may differ, each FSC should include: a showroom for crop inputs; a showroom for veterinary inputs; storage facilities for seeds, fertilizer and plant protection products (separate); offices for FSC management accounting and technical staff; and a training room where printed reference materials will be on display and where meetings/trainings/seminars will be conducted for FSC clients as well as local community members and community based organizations.



Example of uniform painting; Fiche FSC

To ensure **uniformity**, CFSP made grantees aware that all FSC facilities are to be similar in physical size (averaging 100-150 square meters) and will have identical paint colors (Kadisco 56 Bright Green), branding, shelving, signage and promotional materials. **Continuous site visits** to each location guided modifications in construction/renovation activities and curing site visits, CFSP staff also delivered various FSC assets including: road signs, light boxes, office furniture, computers/printers, exhaust fans for chemical storage, crop and vet showroom shelving units, worker safety equipment (fire extinguisher, first aid kit), PPE equipment, and veterinary equipment.



Crop Showroom
Bishoftu FSC

In addition to monitoring construction progress, site visits conducted throughout the program also placed a strong emphasis on **reviewing crop and vet inventory**. On these visits, CFSP staff reviewed with the FSC Agronomists and Veterinarians the inventory checklist that was distributed to all FSC staff during the 4-day Technical Training held during Q4.

As the FSCs neared the end of renovation, program staff visited each center for a “**soft opening**.” Soft opening events gathered FSC staff, CFSP program staff and famers from the surrounding areas and the event agendas served as mock ribbon cuttings. Building off of the momentum of the “soft openings”, the FSCs and their staff continued to conduct outreach, stock inventory, and practice the ins and outs of their new businesses. This allowed each center to become familiar with the exchange of goods and services, and allowed each FSC to better identify the customers’ needs. By letting the FSCs operate a few months before showcasing them in a media event, the program was then able identify beneficiaries of the FSCs and invite them to speak at the high profile ribbon cutting ceremonies.

Following the soft openings, each FSC held a **formal ribbon cutting ceremony** to congratulate the FSCs on the work they have done so far and to raise visibility of the center within the local and Addis-based agricultural community. These events are described in greater detail in the Marketing and Communication section of this report.²

Business and Technical Training for FSC Employees

To ensure the sustainability of the FSC enterprises, CFSP has provided training to develop the business and technical capacities of all FSC staff members. CNFA designed these capacity building schemes to **increase the knowledge of the staff members and enable the FSCs to more effectively and efficiently support smallholder farmers**. From enterprise development to the improved food security of farmers, these trainings targeted attendance from FSCs owners, FSC staff and local government Extension Experts and Development Agents.

Business Management Training

CFSP conducted a 4-day **Business Management Skill Training (BMT)** at the Panorama Hotel in Addis Ababa in August 2013. CFSP staff designed this training series to equip FSC employees with the business management skills to ensure the management capability, profitability, and sustainability of the FSCs. This training was attended by the following employees from each FSC: Owner/Operator, General Manager, Accountant, Agronomist and Veterinarian. In total, there were 28 attendees, 2 of which were women. CFSP adapted training modules from the Zimbabwe Agricultural Market Development Trust program to fit local and legal context. The business management training modules included:

- **Basic Financial Record Keeping** – designed to equip FSC staff with the ability to keep basic financial records of their transactions and train FSC staff on how to use these skills in data collection on a quarterly and/or annual basis to assess the strengths, weaknesses and opportunities for the business
- **Managing Working Capital** – designed to equip FSC staff with the skills to manage their cash flow and prevent the shortage of working capital needed to manage the FSC business;

² Due to the USG Shutdown, USAID directed that all ribbon cuttings be shifted to Q5 and Q6 of the program.

- **Inventory Management** – designed to train FSC staff in a number of stock management techniques including customer preference, profitability of stock inventories, restocking and proper use of working capital; and
- **Sales and Marketing** – designed to train the FSCs in how to fully exploit their sales potential, to claim a better market share in regards to agricultural inputs, and to enhance their ability to face changing market conditions such as increased competition or changes in demand.

Technical Training

CFSP conducted a 4-day **Technical Training** at the Abebech Metaferia Hotel in Ambo in September 2013. This training series was designed by CFSP staff to equip FSC employees to be more effective and proactive in conducting farmer outreach activities such as field days, demonstration plots, seminars and in-store consultations. This training was attended by the following employees from each FSC: General Manager, Agronomist, Veterinarian, and two Sales Clerks. To multiply the impact of improved agricultural consultancy training, two OBA employees from each FSC district also attended the training. In total, there were 39 attendees, 11 of which were from the GOE and 7 of which were women. CFSP compiled training modules after collaborative visits with both the

Ethiopian Institute of Agricultural Research and the Oromia Agricultural Research Institute to learn more about their crop technology, crop protection and livestock technology guidelines. These modules include:



Vet module at Technical Training

- **Pesticide Applicators Training** – outlined the existing gap in farmers' knowledge and their low level awareness in relation to usage of agricultural inputs. Special attention was given to safe handling and use of plant protection products, proper storage and application of agrochemicals and usage of personal protective equipment (PPE).
- **Integrated Pest Management (IPM)** – outlined the significant positive effect of integrating the different cultural, physical and biological pest control approaches into one coherent and compatible tactic to effectively keep pest population below economic threshold level and minimize undue reliance on chemical control thus minimizing the likely danger of the latter to humans and the environment;
- **Environmental Mitigation and Monitoring** – outlined the importance of responsible input business and code of conducts to be followed while also imparting knowledge about national and international (especially USEPA) standards to be adopted and followed in the use and handling of plant protection products;
- **Veterinary Services** – outlined general animal health as well as ways to prevent, recognize and manage livestock diseases; and
- **Gender-based constraints in the agriculture sector** – outlined the significant roles of women in the agricultural sector and why it is important to have gender sensitivity in value chain development. Also emphasized how the FSCs can tailor their marketing to be inclusive to women as customers and attendees at FSC-led trainings.

Supplemental BMT Training

Conducted at each FSC location during Q5 and Q6, **supplemental BMT trainings** aimed to provide FSC staff members with a chance to assess if they were applying the skills and practices from the aforementioned 4-day BMT training. Modules for this training engaged FSC staff to think critically about the profitability of their organization and whether they were offering optimal products and services to their customers. These sessions also included modules on human resource management included a session wherein the CFSP Finance Specialist sat with the FSC General Managers and Accountants to present a uniform FSC-specific Accounting Procedures Manual. This training was delivered to FSC General Managers, Accountants, Agronomists, Veterinarians and Sales Clerks. A total of 36 individuals attended the trainings (28M:8F). CFSP provided these trainings tandem with trainings on marketing and communication, accounting, human resources and M&E, which are described in more detail in the sections below.

Six months later, and upon notification of the no cost extension, CFSP went back to each FSC during Q8 to conduct a 2-day BMT check-in and to follow-up on the technical and financial implementation of FSC grants. At each FSC, the General Manager, Accountant, Veterinarian, Agronomist and Sales Clerks attended the training, which included:

- Supplemental BMT check-in and follow-up;
- Importance of customer service;
- 4-month NCE work planning;
- Purchase plan for promotional materials;
- M&E reporting check-in and follow-up; and
- Adaption and application of the draft human resource manual.

Location Specific Technical Training

Building upon the 4-day Technical Trainings, CFSP conducted tailored, **Location Specific Trainings for all six FSCs**: Training modules catered to the major types of crops grown in each FSC area and focused on agronomic and plant protection facets including variety selection, land preparation, sowing time and method, seeding rate, fertilizer application rate/time/method, major pests and their control methods, crop rotation, intercropping, harvesting and postharvest handling of major crops grown around the FSCs. CFSP staff delivered this training to FSC staff that included the General Manager, Agronomist, Veterinarian and Sales Clerk as well as local Government Experts. A total of 54 (47M:7F) trainees attended the training of which 24 (20M:4F) were FSC staff and 30 (27M:3F) were Government Experts. The major topics addressed during the training included:



Crop Specific Training for Shashamane and Dodola FSCs

- **Climate Smart Agriculture** – discussed good agricultural practices, introduction to agroforestry, soil and water conservation methods, climate change mitigation and adaptation measures and biodiversity conservation efforts;
- **Major Cereals/Pulses/Vegetables Production** – focused on the major crops of each location and addressed improved varieties, recommended agronomic practices (i.e. land selection and preparation, sowing time/method/rate, and fertilizer application time/method/rate), recommended crop protection methods (i.e. weed, insect and disease control methods) and harvesting and post-harvest handling methods; and
- **Livestock Husbandry** – addressed the need for proper livestock husbandry and management (i.e. housing, sanitation, breed selection, feeding methods and health care) and purpose of livestock keeping and their contribution to rural farmers (i.e. dairy cows for milk/progeny production, cattle/ shoats for meat, hide and skin etc)

End of Program BMT and Technical Training

At the close of program implementation, CFSP delivered a week-long training for current and new FSC staff members (as a result of turnover) and new EGAA PLC staff (who were hired in September/October). CFSP held the training in Addis in November, 2014 and it included a one day orientation and introduction to EGAA PLC, three days of Business Management Training (BMT) and one day of Technical Training. This training was designed to continue building the capacity of the grant beneficiaries and their staff and to provide them with the training topics and skills they need to successfully run the FSC and EGAA enterprises following program close. FSC participation included the General Managers, Agronomists and Accountants (Veterinarians were unable to attend this training as they were attending AI training in Kaliti). EGAA participation included the General Manager, the Manager of Veterinary, the Manager of Agrochemicals and the Manager of Finance and Administration. In total, 20 individuals participated in the training.

The three days of BMT training included the following modules:

- **Basic Import Procedures, Terms and Regulations** – addressed terminologies, import procedures, import regulations, import institutional bodies, shipping documents and their purpose, and payments terms in international importing activities.
- **Team Building** – addressed what it is to be a team, why is teamwork important, characteristics of a team, teambuilding basics, the role of individuals in a team, characteristics of healthy teams and interlocking needs of a team.
- **Leadership** – addressed basic leadership styles, difference between being a leader and being a manager.

The one day of Technical Training included the modules following modules:

- **Principles of Pest Management** – addressed the significant positive effect of integrating the different cultural, physical and biological pest control approaches into one coherent and compatible tactic to effectively keep pest population below economic threshold level and minimize undue reliance on chemical control thus minimizing the likely danger of the latter to humans and the environment.
- **Understanding the PERSUAP and EMMP** – addressed the importance of responsible input business and code of conducts to be followed while also imparting knowledge about national and international (especially USEPA) standards to be adopted and followed in the use and handling of plant protection products.

AI Training for FSC Veterinarians

During Q9, CFSP also collaborated with the National Artificial Insemination (AI) Center in Kaliti to arrange for a **15-day AI training for FSC Veterinarians** and relevant GoE Development Agents in the areas surrounding the FSCs. The training, which consisted of 18 trainees, included a combination of classroom style trainings (nutrition, genetics, synchronization, anatomy etc.) as well as on-farm, hands-on modules and practice sessions with live animals.

FSC-led Farmer Trainings and Demonstrations

CFSP supported the FSCs in taking the lead to organize and conduct training and demonstration field days for smallholder farmers in the area around their respective businesses. For example, CFSP supported a joint training session between Bishoftu FSC and Makobu PLC (input supplier) in December 2013. CFSP dedicated extensive time to support these efforts as the model focuses heavily on not just access to agricultural inputs, but also sharing the knowledge to customers on how to best and safely use these products to maximize on-farm production. Topics of **trainings** included conservation agriculture, improved production technologies for major crops (both pest management and agronomic), improved livestock husbandry practices (such as housing, sanitation, breed selection, feeding methods and health care).

In addition to trainings, FSC led **demonstration and field day events** on how urea straw treatment can improve the quality and palatability of crop straw for feed as well as the safe pesticide handling, usage and required personal protective equipment (PPE). All FSCs reported to CFSP staff that the farming communities' demonstrated a **limited awareness on chemical handling and usage**. This included unsafe agrochemical handling (transportation/storage); unprotected chemical application (without PPE); use of empty chemical containers to hold edible items (water, milk, sugar, salt, spices); misuse of agrochemicals to control house and storage pests; and misuse of agrochemicals to heal wounds of animals and/or humans. As a result, addressing safe pesticide handling, usage and required personal protective equipment (PPE) was a common demonstration event at the FSCs.



On-Farm FSC-led PPE Demonstration Dodola FSC

Over the life of the project, each FSC gradually began to see on how the training and demonstration events also were a way to promote the FSC as a local shop and brand. These events also engaged local OBA Development Agents (DAs) to continue building the relationship between the FSC and the local government bodies.

As seen in **Attachment 1: LOP FSC-led Trainings and Demonstrations** and in the table below, the six FSCs conducted over **9 trainings and 17 demonstrations**, which trained over **1,978 smallholder farmers and 229 GoE DAs**.

FSC	#Trainings	#Demonstrations and Field Days	#Farmers Attended	#GoE DAs Attended
Ambo	1	6	247	45
Bishoftu	2	2	165	34
Dodola	2	2	346	51
Fiche	2	1	140	-
Nekemte	2	6	865	46
Shashamane	-	1	215	12
TOTAL	9	17	1,978 (1,740M:238F)	229 (202M:27F)

The Impact and Future of FSCs

In the 18 months since the FSC Owners/Operators signed the grant agreements, and in the 12 months of FSC operation/sales, the FSC enterprises have all done well in adopting the model and new way of business. As with any start-up, each FSC had its own challenges along the way – be it related to stocking inventory, human resource management, or preparing for trainings. Ultimately it was the FSC staff that helped to realize and “implement” the model. In order for the FSC staff to be empowered to succeed, the FSC Owners/Operators had to be fully supportive, and FSC staff had to be well trained. **CFSP staff worked very closely with the grantees and the FSC staff to continue access the needs of the centers, and to deliver support and trainings as needed.** It should be noted that the supplemental BMT and Communications trainings and Quarterly Experience Sharing events were not in the program’s original work plan. These are examples of how the CFSP program team added activities as a result of adapting to the realities of implementation.

As described in further detail below, CFSP conducted an **end-line survey** to gage the initial impact of the FSCs. However, as the household surveys were conducted in November 2014, it was too early to collect the figures from the fall harvest (in terms of both on-farm production and impact on income). It should also be noted that this survey only interviewed households that participated in the July 2013 baseline and some of these households were not yet customers of the FSCs in their nearby areas. As a result of these limitations, the follow-on program will include an impact assessment to be conducted in December 2015, one year past the completion of CFSP.

Beyond the household surveys of the end-line assessment, CFSP also interviewed FSC customers to capture if the FSCs presence has improved the lives of smallholder farmers who have attended FSC-led trainings or gone to the FSC for advice or inputs. As seen in **Attachment 2: Success Stories for Transforming Lives Booklet**, CFSP compiled these interviews and developed a program booklet which includes 11 stories of FSC customers. These testimonies illustrate the **positive impact the FSCs are already having on their communities**.

At the End of Program Experience Sharing event held in December 2014, each FSC spoke about their experience with the program and some of the comments were very indicative of the dedication, success and mission of the FSC model in Ethiopia. Major Alemayehu Amdemariam, Owner of Bishoftu FSC, acknowledged the **contribution of his staff for successes achieved so far and told that he is proud of them**. Etafa Mekonnen, Owner of Nekemte FSC, stated how the Nekemte FSC will continue to keep its promise to serve smallholder farmers by **providing quality inputs with fair price and consultation regardless of market price fluctuation**. Beka Dawit, Genreal Manager at the Shashamane, noted how the FSC model helped them to provide a complete input supply service, including expert consultation and that the Shashamane FSC **intends to open satellite branches with the same standards**. And lastly, Gadissa Gobana, Owner of Ambo FSC, stated that CFSP is very small project with very huge achievement. He acknowledged USAID and CNFA by saying **“you showed us the way and it is our responsibility to keep the project going.”**

In the future, CNFA will continue to engage the FSCs as they will be the lead examples for the next phase of FSC grantees. While there is not grant funding set aside explicitly for these enterprises, the six FSCs will be welcome to apply to the follow-on grants should the call for applications match their plans to expand their agricultural input supply businesses (machinery leasing, output marketing infrastructure, etc.).

EGAA Development

Once the FSCs were up and running for six months, CFSP worked with the FSC Owners/Operators to develop an apex wholesale PLC to be dedicated to effectively serving the inventory needs of the centers.

Established as **EGAA Agricultural Input Suppliers PLC**, this organization, as outlined in its business plan, was created to specialize in pooling FSC financial resources to import, store and distribute agrochemicals, veterinary drugs, and seeds to the member FSCs, securing volume discounts through bulk purchasing directly from manufacturers.



Grant Signing for EGAA

Beyond USAID’s contribution of a \$140,000 matching grant, the FSC members of EGAA have contributed a total of \$60,000. USAID funds were used to hire key staff, lease of selected office and warehousing facilities, ensure proper environmental mitigation and develop strong marketing

and branding. FSC-member funds are used for bulk inventory orders of high priority crop and veterinary inputs from national and international input suppliers. EGAA's business plan shows that the revenue generated from year one operations will cover the operating costs and expenses, yet with a very small markup purposefully set, resulting in a gross margin of about 11%. Accordingly, a positive Earning-Before Tax (EBT) of \$84,852 and Earning-After Tax (EAT) of \$59,397 is forecasted for the first year. These earnings are expected to continually increase as more FSCs are established and EGGA membership increases.

Unfortunately, due to restrictions in the laws governing the operation of Farmers' Cooperative Unions (FCU), the two FCU-owned FSCs (Fiche and Dodola) were not eligible to participate in any additional profit-making joint-venture or PLC. As a result, they were not able to make the financial contribution and become members of EGAA. While continued efforts were made to remedy this restriction, the Oromia Cooperative Agency, the body responsible for the management of the FCUs in Oromia, was clear that no such joint venture would be deemed permissible at this time. As a result, EGAA is **engaged with the FCU-owned FSCs as partners** (rather than as financially contributing members) and will continue to explore the possibility of these non-EGAA member FSCs to submit inventory requests that align with inventory orders EGAA intends to pursue.

Activity Overview

To create the apex wholesale buying cooperative, CFSP first held **various meetings** with the six grantees to discuss the registration process (licensing etc.), different types of legal entities, office and warehouse locations, and import procedures. After such meetings, the six collectively determined that the legal entity would best be suited as a PLC, that the minimum membership contribution should be \$10,000 per member and that their organization would be headed by a Board of Directors compiled of all six grantees and the CFSP COP Dr Waktola Wakgari. CFSP staff then worked to establish a legal name through the Ministry of Trade, draft Articles of Association and Articles of Memorandum for their new venture.

Once PLC was selected as the venture type, CFSP staff began working on the business entity **registration process**.³ Upon learning of the restrictions that prevented the two Farmer Cooperative Union-owned FSCs (Fiche and Dodola) from joining the venture, the remaining four privately owned/operated FSCs decided to continue ahead and to re-title the venture after the names of those involved (Etafa- Nekemte, Gadissa- Ambo, Adanech- Shashamane and Alemayhou- Bishoftu). As a result, the name of the apex PLC is legally **EGAA Agricultural Input Supplies PLC**. EGAA in Afan Oromo also means "insurance." This name was then registered with the Ministry of Trade as a legal name of the joint venture.

Once the name was registered with the Ministry of Trade, CFSP staff and the four founders opened a **joint bank account** wherein the members deposited a total of \$60,000. After setting up the bank account, and in order to receive a business operation license to import from the Government of Ethiopia, EGAA then had to demonstrate appropriate office space and technical staff. As both of these costs were included as part of the USAID grant, the program then required the development of a business plan to serve as the basis for the grant agreement documentation.

³ "Business entity license" refers to registration with the Ministry of Trade. "Business operation license" refers to registration with the Import and Trade offices. EGAA first needed to register as an entity, and then as a business. In order to receive the second license, companies need to demonstrate proper offices, warehousing, and staff.

CFSP then fielded an international consultant and a local Ethiopian consultant to work together and develop a full-fledged **business plan for EGAA**. These consultants conducted in-person surveys at the four member FSCs with Owners, General Managers, Agronomists and Veterinarians. Following the surveys, the consultants pooled the data to develop a draft business plan. The consultants then presented the draft business plan to the FSC Owners. This resulted in a very interactive meeting and great first step in discussing the initial inventory orders and financing for EGAA. Following document preparation and approval from CNFA home office and USAID, CFSP held a **grant signing ceremony** with the four founding members of EGAA.

Following grant signature and award, CFSP worked diligently to begin rapid grant disbursement. This included developing scopes of work and conducting **interviews for key staff** including the General Manager, Finance Manager, Manager of Agrochemicals and Manager of Veterinary Products. Following their hiring, the new EGAA staff and CFSP staff worked to scout **office and warehouse locations**, securing a long-term rental agreement for the selected space, completing office make-ready measures (including **procurement of office equipment and proper communication and marketing materials** – plaque, road sign, light box, etc.), and securing the **proper business licenses**. In addition, CFSP staff worked with EGAA on developing internal policies and procedures, exploring ways to access credit, and finalizing all official GOE paperwork.

Following a similar layout of the FSCs, the EGAA compound has office has offices for the four key staff, a conference/training room, storage for veterinary drugs, storage for agrochemicals and also cashier room. The offices are decorated with pictures and a map showing where the first six FSCs were established. EGAA was introduced and the compound was toured twice – on November 24 (by CFSP, FSC and EGAA staff and USAID) and on December 18 (aforementioned members plus GoE representatives).

The Impact and Future of EGAA

Only having been operating for three months by the end of CFSP, EGAA's impact has not yet been fully realized. During office make-ready, CFSP and EGAA staff members were also taking the time to meet with input suppliers like Syngenta and Pioneer to learn about the prerequisites these companies require in order to place a bulk inventory order. EGAA learned that some of the international suppliers even require that they inspect warehousing. EGAA intends to use the funding in the company's joint bank account to place the first inventory order in spring of 2015.

With the recent award of the follow-on for CFSP, the future for EGAA is looking very bright. FSC members as well as newly hired EGAA staff are very enthusiastic about the progress already made and are well connected to the mission of EGAA – to use bulk inventory orders to translate to cost savings for farmers. As EGAA is still a new business, the follow-on program will include a small “bridge” grant for EGAA to continue receiving both financial and technical support from program staff. As more FSCs are established and join EGAA, the company will continue to grow and support the FSCs as well as farmers, all while maintaining a healthy line of profit that will incentivize membership and allow EGAA to continue investing in itself as a company.

Cross Cutting Issues

Environmental Mitigation and Worker Safety

Throughout the entire program, CFSP has worked diligently to ensure all CFSP staff, FSC grantees and FSC employees are aware of GOE and USAID-mandated environmental mitigation and monitoring measures. To ensure environmental compliance with all USAID and Ethiopian Government's rules and regulations, CFSP completed a series of activities. Some of these include:

- Approval of **Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP)**,
- Completion of six **Environmental Review Reports (ERRs)**,
- Completion of six **Environmental Mitigation and Monitoring Plans (EMMP)**,
- Completion of quarterly **Environmental Monitoring & Mitigation Reports (EMMRs)**
- Inclusion of environmental mitigation and inventory review into all FSC site visits
- Delivery of three-week **Pesticide Applicators' Training**
- Completion of site visits to FSCs with USAID/Ethiopia Environmental professionals
- Attendance at December 2012 USAID Environmental Compliance Environmentally Sound Design and Management (ESDM) Workshop

In addition, and as described in a previous section:

- Inclusion of a module on environmental mitigation and monitoring at Technical Training, and End of Program BMT/Technical Training.
- Inclusion of a modules on climate smart agriculture, good agricultural practices, soil and water conservation and agroforestry at the five Location Specific Trainings

CFSP's final **Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP)** received reviews from CNFA home office, the USAID/Ethiopia MEO, the USAID Regional Bureau and the USAID/Washington D.C office. Following USAID approval, CFSP printed 80 copies of the PERSUAP and distributed the documents to all FSCs and Federal MoA, Oromia BoA, research/higher education institutions, CNFA home office, USAID/Ethiopia, partner NGOs, pesticide processing companies, professional organizations and private agribusinesses. A PDF of the PERSUAP was also uploaded to program website.

During grant document preparation, CFSP's Environmental Specialist conducted **Environmental Review Reports (ERRs) for each FSC** that were categorized the activities of the project as having either a) very low risk, b) no significant adverse impacts or c) no significant adverse impacts, and given specified mitigation and monitoring plans for each category. Upon grant signing, ERR recommended mitigation plans were set for activities categorized as negative determinations with conditions and a **template Environmental Mitigation and Monitoring Plan (EMMP)** was prepared for each FSC and CFSP held discussions to ensure FSC staff properly understood the workers safety and environmental risks of the project, especially in connection with handling pesticides.

In addition to the agreed EMMP, following grant signing and upon the start of FSC construction/renovation, CFSP conducted an **Environmental Monitoring and Mitigation Report (EMMR)** for each FSC on a quarterly basis. For the EMMRs that took place during the construction and renovation phase, CFSP staff worked diligently to **ensure compliance with**

environmental mitigation measures outlined in the final business plans. By program close, all FSCs renovated in compliance with the environmental procedures stated in their respective project proposals with environmental and worker’s safety equipment – including first-aid kits, fire extinguishers, exhaust fans, personal protective equipment (PPEs), sanitation facilities, septic tanks, and proper drainage – have been installed into each FSC. Also reviewed as part of the EMMR, FSC staff demonstrated **proper understanding of workers safety** and environmental risks of handling pesticides and are ready to minimize the risks (if it happened) through recommended proper handlings.

During these visits, ample time was also dedicated to ensuring **environmental compliance with inventory.** While FSCs have stocked different classes of agrochemicals and seeds depending on local needs, FSC staff was advised not to purchase or stock any pesticide without properly checking against USEPA and GoE list of approved pesticides as stipulated in the program PERSUAP.

In some instances, FSC stocked what the PERSUAP outlines as “Restricted Use Pesticides” or RUPs. These pesticides have broad negative implications beyond acute toxicity and as a result, the program PERSUAP has recommended strict management of these pesticides wherein the stocking, sale and use of RUPs must only be conducted under strict supervision of professionals or licensed applicators. While CFSP trained FSC agronomists and veterinarians at each FSC on proper handling and servicing for such chemicals, the FSCs have not yet trained professional applicators to render the services. As a result, strict instructions were given to the FSCs who stocked RUPs **not to sell RUP pesticides without meeting the required procedures for professional application.** When it was found that a FSC stocked a locally formulated pesticide which was not accepted by the USAID-approved PERSUAP, the FSC was subsequently advised to remove the pesticide from the inventory.

To address the common mishandling of RUPs, the Federal Ministry of Agriculture, Oromia Bureau of Agriculture, CropLife Ethiopian and CFSP collaborated to develop and deliver a three-week **Pesticide Applicators’ Training** in Bishoftu in June/July, 2014 to increase awareness on the dangers of pesticides, safe handling and use practices and to train semi-professionals in the safe use, handling and storage of pesticide application. Attendees of the training totaled 35 individuals (32M:3F) from the FSCs (26), the Oromia BoA (6) and the Federal MoA(3). The training topics were categorized into 15 modules, composed of both theoretical lessons and practical demonstrations. The training was delivered by experienced professionals with a minimum of MSc in Agriculture and/or Crop Protection. Upon successful



**FSC Vet Inventory; Nekemte FSC (above)
FSC Crop Inventory; Bishoftu FSC (below)**



completion of the training, participants were invited to take a final exam and successful test takers then became eligible for a certificate of completion for the training as well as a certificate (upon fulfilling other requirements from the MoA) for rendering safe pesticide application services (including RUPs) to farmers for a small fee. Of the 35 attendees, 30 passed the final exam and are in the process of approaching the MoA to secure their professional licence for pesticide application.



**Pest Identification
Pesticide Applicators' Training**

CFSP also conducted a series of FSC **site visits with environmental professionals from USAID/Ethiopia** that included the Mission Environmental Officer, CFSP AOR and an intern from USAID. During August 2014, these site visits conducted an environmental compliance assessment of the program and grantees that were based on accepted Environmental Mitigation and Monitoring Plan (EMMP) and Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP). The visit concluded that CFSP has done **an exemplary work** in putting these centers in place and making them fully operational within a short period of time. The team also identified a few areas at some centers that could be improved to maintain a high level of safety and security and a **follow-up and final site visit** to each FSC took place in October 2014 for final check up on the accomplishment of the corrective measures.

During these final site visits during October 2014, CFSP staff engaged in very lengthy discussions regarding the future of the FSCs, specifically addressed **how the FSCs planned to sustain the environmental and workers safety standard set by the programs ERR, EMMR and PERSUAP**. All FSCs enthusiastically looked forward to sustaining their respective businesses and maintaining the same workers and environmental safety standards. Although the program closed on December 31, all centers vowed to continue serving more farmers with same standards. Some centers had even brainstormed potential action plans for business expansion. FSC staff also identified critically important procedures to be followed at all times, even after the end of CFSP. These include:

- Keeping the list of registered agrochemicals and avoiding pesticides not approved by GoE and USEPA at all times;
- Placing the Program PERSUAP in accessible location for easy reference;
- Ordering agrochemicals only after thorough demand assessment;

- Wearing PPE every time one enters into the agrochemical store;
- Advising farmers on safety procedures;
- Using stock card effectively;
- Keeping the list of RUP and providing professional guidance on their applications;
- Discouraging farmers to reuse pesticide containers and piercing the container immediately after use to avoid the possibility of reuse;
- Continue training farmers on pesticide safety; and
- Making sure that fire extinguishers and other safety kits and facilities are in good order

Branding, Marketing and Communications

Upon program start-up, CFSP developed and submitted a **CFSP Branding and Marking Plan (BMP)** in accordance with the terms of the Cooperative Agreement. When developing the BMP, input was sought from CNFA Home Office as well as USAID.



In addition, CFSP worked in consultation with CNFA home office to develop a uniform **FSC Branding and Marking Plan** which outlined how to use the USAID and CNFA logos and outlined uniform branding and marking for all the FSCs as a way to promote program visibility, enhance business traffic, create recognition from customers, and generate awareness of the FSCs network on a local, national and international level. All furniture and equipment procured with grant funds has been labeled with a USAID sticker. In addition, uniform branding and marking activities that help to build the FSC/EGAA brand and logo include:

- Uniform printed materials (with logo) for the six FSCs and EGAA;
- Uniform road signs and light boxes (with logo) posted at all six FSCs and EGAA. The road signs are double sided, bear the FSC logo, and are strategically placed on the main road going in and out of each city/town, and provide directions to the FSCs.
- Uniform business cards (with logo) printed for six FSCs and EGAA employees;
- Uniform paint for the FSC and EGAA buildings (external: bright green #56; internal; broken white);⁴
- Uniform smocks (with logo) delivered for six FSC and EGAA employees; and
- Uniform dedication plaques (with USAID and CNFA logos) displayed at six FSCs and EGAA.

Program Website

Following a statement of work, review of proposals and selection of 360 Ground as the vendor to develop the website, the **CFSP program website** is now fully functional and updated. The website, which can be found at <http://www.cfspethiopia.org>, includes the following sections: About Us, Grants, Training, News, Events, Partners, and Cross Cutting Activities. The website official launch was embedded into the six ribbon cutting ceremonies and upon program close, CFSP staff trained EGGA staff on website maintenance so that ownership of the website will rest with EGAA.

⁴ EGAA compound and gate painted, but office and warehouse buildings inside the compound not yet painted.

Media Events

During the program, CFSP held 10 media events. Each of these events aimed to raise program visibility and promote collaboration between CFSP and other relevant stakeholders. CFSP Media events include:

Program Launch - Held on February 4, 2013 at the Sheraton Hotel to provide the program with an opportunity to explain the goals and objectives to beneficiaries, the media and the general public.

Grant Signing Ceremony –Held on June 4 2013 at the Jupiter Kazanchis Hotel to announce the six FSC grant applicants. Attended by 35 participants, including each of the six grantees, USAID officials, Government of Ethiopia officials, colleagues from international NGOs, and private sector input suppliers. Covered by three newspapers.

Media Engagement Event – Held on August 15, 2013 at CFSP office to engage representatives from local media agencies for an informal networking session and brief training on “Eye Catching Story Writing.” Aimed to build strong relationships with the media, who play a crucial role in raising program visibility and the promotion of the FSCs as business entities. Attended by 18 people from 9 different media agencies including 3 radio stations, 4 newspapers, and 2 television stations.



Media Engagement Event

Ribbons Cuttings – Held on December 17, 2013 (Bishoftu); December 20, 2013 (Nekemte); January, 16, 2014 (Dodola); January 22, 2014 (Ambo); January 29, 2014 (Fiche) and June 12, 2014 (Shashamane) the event attracted a number of stakeholders. Events were moderated by CFSP COP Dr. Waktola Wakgari and were attended by participants from various sectors including GOE, private sector, donor programs, media and FSC customers/farmers. Each event included a ribbon cutting and plaque dedication by the event guests of honor, a FSC tour as well as remarks from key partners, FSC customers and FSC owners.

Recognizing the crucial role of the media to reach the wider community and building off of strong relationships established during the Q4 media engagement event, all of these events were well attended by various media agencies, even those that were located well outside Addis Ababa.

FSC	# Participants	# Media Present	Coverage
Ambo	66	5	Coverage by one newspaper and one radio station
Bishoftu	97	5	Coverage by two newspapers and one radio/television station
Dodola	47	3	Coverage by two newspapers

Fiche	44	3	Coverage by one newspaper
Nekemte	38	3	Coverage by two newspapers
Shashamane	250+	5	Coverage by two newspapers and two radio stations

To draw the connection to audience members that the purpose of the FSC development was not just to empower entrepreneurs, but also to improve the incomes and livelihoods of smallholder farmers, each event invited actual FSC customers/farmers to give statements about the importance and impact of the FSC. In Ambo, W/ro Atse Abate stated that “My donkey was sick and I came to Ambo Farm Service Center and got the proper treatment and medicine; I also brought to the center a very sick calf and I almost lost all my hope before I came to this center and got relieving treatment; now my calf is more than well and even running around. **I believe this center brought hope to many of us in the town as the location is central and accessible and as the welcoming approach of the staff is inviting to visit again.**”



**Remarks from W/ro Atse Abate
Ambo FSC Ribbon Cutting**



**Remarks from W/ro Adanech
Shashamane FSC Ribbon Cutting**

Pesticide Applicators’ Training Certificate Ceremony – was held on July 4, 2014 to commemorate the three-week training held in Bishoftu in June/July, 2014. Three media attended the closing certificate ceremony so they could cover the importance of the event (the first training of its kind in Ethiopia) and had the opportunity to interview Federal MoA representatives and the CFSP COP. Covered by **Fana radio station** and **The Reporter newspaper**. CFSP also produced a double-sided A5 leaflet that summarized the training and was distributed to the FSCs and other government and non-governmental stakeholders.

Press Releases

Throughout the entirety of its implementation CFSP has issued 12 press releases. They include:

- **August 31, 2012** - USAID AWARDS CNFA TWO-YEAR COMMERCIAL FARM SERVICE PROGRAM (CFSP) IN ETHIOPIA
- **February 4, 2013** - USAID COMMERCIAL FARM SERVICE PROGRAM (CFSP) HOSTS OFFICIAL PROGRAM LAUNCH IN ETHIOPIA
- **June 5, 2013** - SIX GRANTEEES SIGN AGREEMENTS TO SET-UP FARM SERVICE CENTERS(FSCs) IN OROMIA REGION

- **August 24, 2013** – USAID COMMERCIAL FARM SERVICE PROGRAM CONDUCTS BUSINESS MANAGEMENT TRAINING
- **September 12, 2013** – USAID COMMERCIAL FARM SERVICE PROGRAM CONDUCTS TECHNICAL TRAINING
- **December 17, 2013** – USAID COMMERCIAL FARM SERVICE PROGRAM OPENS BISHOFTU FARM SERVICE CENTER
- **December 20, 2013** – USAID COMMERCIAL FARM SERVICE PROGRAM OPENS NEKEMTE FARM SERVICE CENTER
- **January 16, 2014** – USAID COMMERCIAL FARM SERVICE PROGRAM OPENS DODOLA FARM SERVICE CENTER
- **January 22, 2014** – USAID COMMERCIAL FARM SERVICE PROGRAM OPENS AMBO FARM SERVICE CENTER
- **January 29, 2014** – USAID COMMERCIAL FARM SERVICE PROGRAM OPENS FICHE FARM SERVICE CENTER
- **June 12, 2014** – USAID COMMERCIAL FARM SERVICE PROGRAM OPENS SHASHAMANE FARM SERVICE CENTER
- **July 4, 2014** – USAID COMMERCIAL FARM SERVICE PROGRAM PROVIDED PESTICIDE APPLICATORS’ TRAINING

Communication and Marketing Training for FSC staff

In tandem with modules on monitoring and evaluation, human resources and supplemental BMT/accounting, CFSP staff led a one-day capacity building session at each FSC location. The training resulted in 36 individuals trained (28M:8F) and consisted of two major modules; the first in **Communication** and the second in **Marketing**. Together, this dual focus approach aimed to:

- Brief FSC staff on the importance and characteristics of good communication;
- Discuss with FSC staff the uniform Communication and Coordination Guideline that aims to improve internal and external communication;
- Highlight the key concepts and importance of calculated and clear press relations, outreach campaigns and public events; and
- Discuss and reach a common understanding on three major marketing topics of branding and marking, FSC sales strategies and promotion.

CFSP Program Video

Following a proforma collection, CFSP selected Epic Media PLC to develop a **short film (7 minutes)** that summarizes the program and captures its unique approach and impact.



Screenshot of [CFSP Program Video](#)

The video, which includes footage of on-farm production, interviews and media events, shows that CFSP is an innovative project and model that utilizes a private sector solution and builds the capacity of Ethiopian-owned enterprises to help improve the smallholder's farmers access to high-quality inputs, extension services and trainings so they can subsequently improve their agricultural production and increase their household incomes. The video also highlights that this is the first network of FSCs in Ethiopia and that the program has been modeled off of success CNFA has had in other countries.

Success Stories for Transforming Lives Booklet

As seen in **Attachment 2: Success Stories for Transforming Lives Booklet**, CFSP developed a program booklet to showcase how the development of the six FSCs has impacted the livelihoods of smallholder farmers who are customers of the centers. The beginning of the book summarizes program activities and achievements and showcases interviews of three of the six FSC Owners. The majority of the book, and purpose for writing the book, then captures 11 stories of FSC customers from each center. The program booklet has been shared with all the FSCs, Federal Ministry of Agriculture, Oromia Bureau of Agriculture, USAID, ATA and to other concerned government and non-governmental stakeholders as appropriate.

Gender Issues

Through the entirety of program implementation, CFSP worked ensure gender mainstreaming into all program activities and to promote female grantees and reduce gender-based constraints to production and access to input supply. Some of these activities include:

- Targeted female participation in outreach activities
- Preferential consideration for female grant applicants (or applications that had a positive impact on women in the community);
- Gender assessment
- CFSP staff attending the August 2013 AGP-LMD Women's Entrepreneurship Training
- Three-day gender, business skills and organizational development training sessions delivered to three women's groups nearby the Shashamane FSC with assessment to follow
- Shashamane meet-and-greet with Women's Groups
- Women's specific Business Management Training with assessment to follow
- Gender Integration Questionnaire for FSCs

To target female entrepreneurs as grantees, CFSP **outreach activities** sought to engage female extension agents, the Zone/Woreda Women Affair Office's Representatives, female agricultural professionals (vets, agronomists, etc.), female commercial trainers, Women lead farmers, traders, cooperatives and association members, and female leaders of women's Farm Input Savings and Loans groups. As a result, 63 of 299 attendees of the town hall meetings were women and 6 of the 27 grant applications were submitted by women.

Also during program start-up, CFSP developed a scope of work for a **gender assessment** to identify gender M&E indicators and identify the factors that shape women's ability to drive private sector growth at the farm and processing levels. Group discussions were conducted with key informants, women business owners, and women's savings and loans associations (namely the Jhalala Women's Association, Burka Gudina Missoma Women's Association, and the

Gudina Women's Association). The stories and insights provided by the community members along with results of secondary research were evaluated within USAID's Gender Dimensions Framework⁵ to determine key gender based constraints and based on the assessment results, it was determined that CFSP can approach limitations to women in two ways: targeting women to be owners/operators of FSCs and seeking opportunities for women to fully benefit from the goods and services being offered by the stores.



CFSP/FTF Training of Women's Associations

Following the gender assessment, CFSP worked with Winrock International to field Ms. Anais Troadec, a USAID Farmer to Farmer (F2F) volunteer who specializes in women empowerment and organizational development training. In April 2013, Ms. Troadec led a three-day series of **gender, business skills and organizational development training sessions** for the Jhalala Women's Association, the Burka Gudina Missoma Women's Association and the Gudina Women's Association. GoE Development Agents and Woreda Administration Officials also participated in the training. The interactive nature of the training built a sense of community, highlighted the potential for leadership and promoted confidence building for all training participants.

A few months after the training, CFSP then conducted an **assessment on the three women's associations' ability to incorporate the training into their associations and microenterprise ventures**. These associations were surveyed with a questionnaire that incorporated both general questions on the applicability of the training content as well as questions that were association-specific. In total, 24 women and 2 men were surveyed (about 1/3 of the original training participants). The survey found that the majority of the women have been applying the organizational skills learned in the training to support new ventures in livestock rearing, selling sugar/cooking oil and growing teff. Constraints continued to be time, organizational transparency and access to finance. Each group not only requested additional training, but outlined training topics that would best suit their respective associations.

Upon the completion of renovation for the Shashamane FSC, CFSP's Gender and PR Officer spent one day making **formal introductions between three women's associations and the Shashamane FSC**. The aforementioned three women's associations were invited to meet with Adanech Zewde, the Owner and Operator of the FSC, and the women from the associations were grateful to tour the center and learn about the inputs and services offered at the center.

⁵USAID "Promoting Gender Equitable Opportunities in Agricultural Value Chains" Developed by the Greater Access to Trade Expansion (GATE) Project under the Women in Development IQC, Contract No. GEW-I-00-02-00018-00

In April 2014, CFSP staff also conducted two-day **women-specific Business Management Trainings** that aimed to improve the business skills and capacities of female entrepreneurs. CFSP staff adapted the program's previously used BMT modules to cater to the unique demands and market positions of women-owned businesses. The trainings (one held in Ambo, one in Bishoftu) gathered more than 35 women and 3 men, who were members of the associations as well as representatives of local Women and Children Affairs Bureaus. The core training objective was to provide the participants with basic business management knowledge that will allow them to transfer it to their fellow business members and to their community as a whole. The CFSP team and the FSC General Managers of the surrounding Farm Service Centers also introduced and explained briefly about the services and inputs available at their respective FSCs. The training modules of the women-specific BMT included:

- Business planning;
- Creating new business ideas;
- Testing new business ideas (SWOT Analysis);
- General concepts of marketing; and
- The importance and the sources of business capital.

Beyond feedback collected as part of the training evaluation, CFSP thought it imperative to identify the impact this training has had on the women's associations who attended training. CFSP staff developed a series for qualitative questions to **measure the impact of the training** on the women's associations and on women who attended the trainings. In total, ten women's associations and seven GOE representatives received the training and of these, seven women associations and two GOEs participated in the survey. Most all participants stated that they have been applying the marketing and customer service skills learned in the training to support the current and new business activities. Others said they also benefited from the organizational management skills they learned. Many have even visited the FSC in their community.



Women's BMT Training in Bishoftu

Beyond engaging women in the communities around the FSCs, CFSP also continued to engage the FSC staff on their understanding and application of gender mainstreaming. Once the centers were up and running, CFSP staff developed and conducted a **Gender Integration Questionnaire** that targeted FSC Agronomists and Veterinarians to assess how well the FSCs were doing at considering women when they conducted outreach events, stocked inventory and/or held FSC-led training and demonstrations. Together, the FSCs have over 2,500 female customers and have met with over 1,000 women during outreach efforts. The FSCs used the questionnaire and subsequent discussion on gender integration to:

- Give trainings and special consultations that would help them succeed in the current agricultural activities these women farmers practice;
- Host open group discussions with women farmers in the community;
- Supply all products those are needed by the women and narrow the gap between them and stakeholders in their locations;
- Provide consultations on how to make themselves eligible for credit and loan; and
- Provide trainings on advanced and easier agricultural practices that are geared towards women.

Networking and Collaboration

As the FSC model focuses on the private sector as an alternative to the state-dominated agricultural input supply, CFSP made sure to communicate regularly with the **Federal Ministry of Agriculture (Federal MoA)** and the **Oromia Bureau of Agriculture (OBA)** to ensure their continued understanding and support for the program. CFSP facilitated their participation in all six FSC ribbon cuttings, two of the quarterly experience sharing events, and the three-week Pesticide Applicators' Training. In addition, the Oromia Bureau of Agriculture Development Agents also participated heavily in the woreda surveys, outreach campaign events, and trainings led by the program including but not limited to, the Addis-based Technical Training and FSC-level crop and livestock specific training, AI training, and the Pesticide Applicators' Training.

Beyond their attendance at events, both of these GoE bodies have been engaged in discussions on how to develop and implement a “pesticide container buy-back or drop-off” initiative. Pesticide containers are often reused at the household level, which poses an incredible threat to human and animal health and safety. As part of the program's PERSUAP, CFSP staff discussed the importance of this initiative, and although no policies were created during the life of the program, the discussions are well underway about how the GoE and FSCs can work together to help solve this problem. This, as well as the licensing for the trained Pesticide Applicators, will continue to be top priorities during the follow-on program.

Overall, CFSP's relationship to these two GoE entities was very collaborative and supportive. In her opening remark at the End of Program Experience Sharing event, W/o Hiwot from the Federal Ministry of Agriculture mentioned that, “**CFSP's FSC model is the first of its kind in Ethiopia, is the best approach to guarantee sustainability, and is a model worth scaling up in Oromia, and rolling out in Amhara, SNNPR and Tigray.**” At the same event, Ato Teshome Burka, the Agricultural Crop Protection Expert at OBA, stated that, “**the FSC model has already proven its sustainability and is a timely intervention for the country.**” When he travels to other places in Oromia where there is not yet a FSC, Ato Teshome said that farmers ask him, “Why we did not get the chance of having at least one FSC in our district?”

While the relationships with the Federal MoA and OBA were very strong, it should be noted that the program struggled with the **Oromia Bureau of Farmers' Cooperative Unions** as a result of the aforementioned issue of the FCU-owned and operated FSCs joining EGAA. CFSP met with this branch of the government on a few occasions to see if some kind of modification could be made to allow Fiche and Dodola to join EGAA but no such agreement was ever reached. Until GoE policies and FCU articles of association are revised, the FCU-owned and operated FSCs will not be permitted to be financially contributing members to EGAA.

In addition to the GoE, CFSP signed a **MoU with iiCD**, a non-profit foundation specializing in the use of information and communication technology (ICT) as a tool and driver for development. The MOU outlined how the partnership will link and educate the newly established FSCs on how to use and apply iiCD's Farm Management and Market Information System. During the life of the program iiCD's local partner (Apposit) was also actively involved in update discussions and meet-and-greet sessions with the FSC staff and EGAA. The ICT platform is still being developed with Ethio telecom and it is expected that during the follow-on, it will be a system that provides users with timely and relevant information regarding market prices for various commodities as well as best practices for farm management in relation to dynamic changes in land and resource availability.

Beyond building strong relations with the GoE and iiCD, CFSP also worked to network and collaborate with many other organizations and companies. As seen in the table below, these collaborations are at varying stages of maturity, but all will provide a strong foundation for follow-on activities.

Name of Partner/Project	Nature of Collaboration
Private sector input suppliers - CFSP conducted meetings with the following: Pioneer, BASF, Syngenta, AGCO, GrainPro, EthioPharma PLC, DuPont, Bayer, Mekamba, Ries Engineering (Masey Fergeson), ORDA, Lions International Trading, Makobu PLC, Markos PLC and Davis Sherliff (Kick start irrigation pump importer)	<ul style="list-style-type: none"> • Ensure FSCs and EGAA access to and awareness of high quality international input supplier inventory • Link FSCs and EGAA to suppliers through updated contact list and “meet and greet” meetings/events. • Link FSCs and EGAA to suppliers as potential partners/sponsors for FSC-led farmer outreach activities (demo plots, farmer field days etc)
Agriculture Transformation Agency (ATA)	<ul style="list-style-type: none"> • Link CFSP staff with ATA teams in Input and Output Marketing; Household Irrigation; Technology Access/Adoption; and Direct Seed Marketing • Determine how ATA activities can be linked to FSCs, farmers and private sector distribution points for new technologies/inputs. • Outline collaboration for follow-on activities
AGP-LMD program	<ul style="list-style-type: none"> • Coordinate with LMD's livestock trainings and value chain activities in the Oromia region. • Coordinate with LMD staff as they reviewed their grants to ensure sharing of lessons learned • Link women-leadership training groups to tour/shop at FSCs
AGP-AMDe program	<ul style="list-style-type: none"> • Link FSCs to AMDe trainings in Oromia. Recommendations for GOE registration.
AGP-GRAD program	<ul style="list-style-type: none"> • Link GRAD Agrodealers to Shashamane FSC wherein the FSC would serve as a wholesaler to the rural enterprises in the area around the FSC. Delayed as a result of Agrodealers not yet being identified/trained. MoU put on hold.
Lending institutions	<ul style="list-style-type: none"> • Discuss loan products and facilitate lending for FSCs and EGAA

CFSP conducted meetings with the following: Oromia Cooperative Bank; and the Commercial Bank of Ethiopia.	
Center for Development Initiatives (CDI)	<ul style="list-style-type: none"> • Facilitate targeted input supply and technical training to CDI's partner in Shashamane – the Jhalala Women's Association
Digital Green	<ul style="list-style-type: none"> • Learn about their scale-up in Ethiopia and how we can work together rather than duplicate efforts
CABI	<ul style="list-style-type: none"> • Discuss their "Plantwise" activities in Ethiopia
Esoko (ICT)	<ul style="list-style-type: none"> • Discuss their plan for scale-up in Ethiopia

In addition to these one-on-one meetings and collaborative events, CFSP also worked to raise program visibility by attending relevant events in the Addis community. Some of these events include the **Ethiopian Veterinary Association Annual Conference** (February 2014) **IFPRI May Conference** (May 2014); and the **2014 AGRA Conference** (September 2014). These events held immense value to both network and to be an active part of the conversations that revolve around development in Ethiopian agriculture and private sector investment.

Also included on the list of collaboration efforts, CFSP held three **Experience Sharing Events**. The first was held in Bishoftu in April, 2014 and main objective of the event was to discuss the model and how it can be adapted to the various agricultural needs of the various regions in Ethiopia. The event gathered representatives from the FSCs as well as from the Oromia, Amhara, Tigray and SNNP Regional Governments. Afternoon breakout sessions were also dedicated to FSC Owners, General Manager, Agronomists and Veterinarians met for sessions to discuss recent challenges as well as solutions for these challenges.

The second Experience Sharing Event was held in Addis Ababa in September, 2014 and objective of the event was to discuss on remaining activities and budget of the FSC grants and to discuss how the 4 months no cost extension period could best be utilized. During this session, all FSCs finalized grant amendment documentations, and revised grant budgets and work plans to include September – December 2014. A presentation was also made by Apposit (partner to iiCD)

The last experience sharing was held in Kaliti in December 2014 and the major objective of the event was to share success and lessons learned from implementation of CFSP and how these lessons can be applied to future activities with stakeholders. The event gathered representatives from the FSCs as well as from USAID/Ethiopia, the Oromia Regional Government and Federal Ministry of Agriculture.

Reporting, Monitoring and Evaluation

During the life of the program, CFSP maintained strong quarterly reporting standards, as well as annual contributions to the Feed the Future Monitoring System. As seen in the table in the beginning of this document, CFSP reported on the following Feed the Future indicators:

- 4.5.2-7: Number of individuals who have received USG supported short term agricultural sector productivity or food security training
- 4.5.2-11: 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

- 4.5.2-29: Value of Agricultural and Rural Loans
- 4.5.2-30: Number of MSMEs, including farmers, receiving USG assistance to access bank loans

To support the collection of proper FTF data, CFSP reviewed data collection forms and reporting procedures with Fintrac staff and Mr. Fasika Jiffar (CFSP's AOR) as part of the annual meeting **for Data Quality Assurance (DQA)**. This meeting provided CFSP with the opportunity to review and revise the data collection form that is embedded within each grant agreement. CFSP's Finance Specialist (main point of contact for M&E) then attended the **FTF Agricultural Indicators Guide Webinar** in September, 2013 to ensure CFSP is adhering to USAID and Feed the Future (FTF) reporting.

CFSP's Finance Specialist provided training to FSC staff on **the program M&E tools** to ensure that FSC staff are collecting valid data and sending it to CFSP for reporting to relevant organizations. Given in tandem with the supplemental marketing and communication training (given by CFSP's Marketing and Communication Specialist), the M&E module outlined the quarterly reporting form to be submitted by FSC General Managers to CFSP staff ten days after quarter close. This training also introduced two FTFMS-tailored data collection tools to the FSC Agronomists and Veterinarians to capture impact of trainings and application of improved practices. During this session, FSCs were also urged to keep track of their customers in a log book.

During June/July 2013, CFSP hired a summer Monitoring & Evaluation Intern to support the program's design, data collection, and data analysis for the CFSP **baseline survey**. The baseline was conducted in three of the six FSC locations – Ambo, Dodola, and Shashamane – and surveyed a total of 80 farmers through organized meetings, while at other times through house-to-house meetings. The survey aimed to provide information on the crop productivity, agricultural input usage and farming skills of farmers over the past two cropping seasons. Furthermore, this survey sought to test the agricultural knowledge of the farmers by requiring information on how much, if any, agricultural training they have received in the past two years..

Building off the baseline survey, CFSP posted a solicitation and after three rounds of interviews, selected Deepdive Consulting to conduct an **end-line survey**. The survey, which was submitted to USAID/Ethiopia independently of the Q9 and Final reports, used a cross sectional study design, which employed a combination of qualitative and quantitative study methods. A structured survey questionnaire was used to gather data from a total of 80 farmers - 20 farmers in Ambo, Bishfotu, Dodola and Shashamane. In addition, a total of eight Focus Group Discussions (FGDs) were carried out with a group of male farmers and a group of female farmers in the four FSC sites – two in each location. Furthermore, eight Key Informant Interviews (KII) were carried out with Agricultural Extension Workers (Development Agents) and FSC representatives in the four FSC sites – two in each location. The results of the end-line survey showed a **positive correlation in FSC presence and income of smallholder farmers**, but CFSP is also aware that the household survey participants were selected in relation to the baseline (rather than as FSC customers) and that the cereal harvest season was underway during the survey. As a result, CFSP feels this that the full impact of FSC establishment may not have been captured in this survey.

Challenges

CFSP faced a small handful of challenges during implementation and these varied in terms of significance and persistence. Discussed in more detail below, these challenges included:

- Limitation to AGP-Woredas
- Ambitious Proposed Timeline
- Resistance in Adopting the FSC Model
- Human Resource Management at FSCs
- Inventory Stocking Management at FSCs
- Securing GoE Participation in Advance of Media Events
- FCUs Being Excluded from Membership in EGAA
- Delays in Procurement

Limitation to AGP-Woredas

During the first and second quarter of the program, CFSP surveyed 19 Woredas to determine which areas would be selected for the outreach campaign. As per the USAID Feed the Future strategy, CFSP placed an emphasis on establishing the FSCs in AGP Woredas. However, as many government and NGO activities have similar activities in these areas, CFSP acknowledges that it will be a challenge to ensure that program results are not skewed as a result of overlap by different implementers. In addition, there were other well-known towns that demonstrated market viability for a FSC enterprise but could not be included in program activities as a result to of the Woreda location.

In the future, CNFA recommends that Woredas where FSCs are developed are not limited solely to AGP-Woredas.

Ambitious Proposed Timeline

The largest challenge - and most impactful in terms of residual impact on other activities - was/will be for the FSCs to adhere to the tight timeline for renovation and construction. As mentioned in the previous quarterly reports, many of the FSC buildings required heavy renovation or are newly constructed buildings, and there has been a longer renovation/construction period than anticipated. Similarly to the aforementioned procurement challenge of availability/timing, many FSCs have also experienced various delays in their construction. To mitigate this challenge, CFSP staff called each FSC twice a week for updates and the program increased the number and frequency of field visits to ensure construction and renovation activities were taking place and adhering to set timelines. The program anticipated that renovations would take 1-3 months when in fact the average was 6 months. This had residual impacts on the program's ability to report on FSC business and training figures.

Beyond construction, the overall timeline for the program was felt to be very optimistic. Even the timely execution of Woreda surveying was ambitious considering this activity involved program staff traveling to and interviewing various stakeholders in rural towns to determine market viability and local demand for the year-round supply of inputs.

In general, most all activity timelines were underestimated and in the future, CNFA will be sure to take this into account in work planning, especially as it involves more stakeholders and activities in regions that are farther away from Addis.

Resistance in Adopting the FSC Model

One of the largest challenges throughout CFSP was the grantee's understanding of the FSC model and grant mechanism. This included the grantee and FSC staff's understanding of the questions, "What is an FSC – Who does it serve – How is it a business – What is long-term customer loyalty, why is it important and how can it be achieved?" While all of this information was provided during outreach events and program staff held extensive discussions during the development of grant materials, grantees seemingly struggled with some of the basic FSC model concepts. As the first of its kind in Ethiopia, CNFA expected this to some extent and as a result, continued to engage the grantees and the FSC staff through regular communication, site visits and trainings. In this sense, the "belief" in the FSC model truly only came once the businesses were up and running for a few months (usually around the six month mark CFSP noticed a visible change in perception of the model as well as an increase in morale.) It should be noted that the most successful FSCs were also the ones who made the biggest financial contributions to inventory stocking. Now fully operational for a year, the six FSCs are great examples of how the model can serve smallholders and still be a profitable business.

For the follow-on, CNFA will most definitely engage the first six FSCs to share their experience and understanding of the model to the new round of FSC grantees.

In addition to this, FSCs also struggled with understanding the nature of the matching grant. Many of the grantees expected CNFA to deliver \$40,000 direct to their bank accounts upon signing the grant documents. Even though the grant spending procedures were clearly explained in each FSC's business plans and milestones, when the \$40,000 bank transfer did not happen the grantees became skeptical and this was the basis for all grant activity and was a constant struggle to re-build the trust.

In the future, it is essential that the grant disbursement mechanism is incredibly clear at the beginning of any and all conversations.

Human Resource Management at FSCs

Building off of the aforementioned doubt in the FSC model, each of the FSCs has their own issues related to staff empowerment and staff retention. FSCs independently selected their staff for the positions of General Managers, Accountant, Agronomist, Veterinarian, Sales Clerks and Cashiers. These staff members are imperative to the FSC model, offering sound business decision making skills (pertaining to inventory, outreach and customer service) as well as on-site and on-farm expert agronomic and veterinary advice and consultations. The combination of these two factors of the model work hand in hand to create a unique business and "experience" for customers. Despite the importance of these positions, FSC staffing was delayed and often constrained by the Owner/Operators wanted to control all facets of the business. To address this challenge, CFSP delivered extensive training to newly hired FSC staff and persistently encouraged the grantees to empower the staff to do the job they were trained to do.

In the future, it is recommended that FSC staff are identified as early as possible, perhaps even having the General Manager hired at the stage of business plan development or grant signing.

Inventory Stocking at FSCs

Another challenge CFSP encountered was in relation to inventory stocking. As the program aimed to create a new standard of input supply, it was necessary that the FSCs have both ample quality and quantity of products. For many of the FSCs this was a large up-front sunk cost that differed from their previous business ventures. This risk-averse mentality was a challenge that program staff had to overcome through encouragement of proper stocking. Similarly stemming from not wanting to stray from “the old way of doing business” and fears of significant up-front inventory investments, CFSP encouraged FSC owner/operators to empower their trained staff and had to remind them that in order to generate sales there must be products to sell.

In the future, it is recommended to consider assessing small loans immediately after grant signing (to help with renovation and inventory costs that are not allowed using USG funds) and/or to establish a credit guarantee facility to help create a smaller line of credit for the FSCs to lean on as they begin their initial stocking.

Securing GoE Participation in Advance of Media Events

Another challenge that was noted during previous reporting on the Shashamane FSC ribbon cutting ceremony was the difficulty in securing GOE representation at CFSP media events. While representatives from both the Federal MOA and Oromia Bureau of Agriculture RSVP'd to attend and speak at the event, the morning of the event both representatives cancelled. Despite ample check-ins with these invitees and guest speakers, it was frustrating for the program to account for their absence the morning of the big event.

In the future, CFSP will try to speak directly with the representatives the day before to ensure their attendance (or at least the attendance of a delegate) and will especially do this when the event is to be held outside of Addis.

FCUs Being Excluded from Membership in EGAA

As described above, CFSP dedicated ample time to seeking a legal way to include the two FCU-owned and operated FSCs (Fiche and Dodola) to participate in the formation of the wholesale buying cooperative (EGAA PLC). Since the FCUs have a large number of members to serve, their involvement in an apex PLC would be a significant boost to both their ability and the program's goals to serve smallholder farmers. As the FCU entities are governed by GoE laws, the two FSCs demonstrated a visible dip in morale upon finding out they were not able to join EGAA.

At this point in time, EGAA is **engaged with the FCU-owned FSCs as partners** (rather than as financially contributing members) and will continue to explore the possibility of these non-EGAA member FSCs to submit inventory requests that align with inventory orders EGAA intends to pursue.

Delays in Procurement

In relation to administration, the largest challenge was in relation to procurement. This was mainly in relation to securing/registering the program vehicle, which took longer than anticipated to pass through the necessary customs and GoE approvals (estimated at 8 months).

An additional and overarching procurement challenge has been the inconsistent availability of items. Both FSC office furniture and FSC equipment pro-forma invoices were often collected and completed in compliance with USAID standard procedure. Unfortunately, an inconsistent supply on behalf of vendors has resulted in lag delivery times and multiple trips to secure procurements for both office furniture and FSC assets. This has mostly cost the program time, but occasionally the program experienced a higher price disparity between the pro-forma price and the purchased price (as a result of the pro-forma expiring while waiting for items/goods to be available.)

In the future, it is recommended that a list and calendar is compiled for all FSC procurement so as to streamline items and buy items shortly after the grant signings.

Indicators Not Met and Why

During each reporting period, CFSP was reminded that some of the FTFMS and Program Indicators had optimistic timelines (as a result of assumptions in early FSC and EGAA development) while other indicators were out of program scope or were simply assumed to be realistic when in reality they were not.

For indicators that had optimistic timelines, CFSP felt these were realistic in terms of figures, but as a result of delays in implementation these figures became unable to be reported during implementation. These included the number of enterprises benefitting from EGAA (9+), the value of inputs supplied from EGAA (\$200,000), and the increase in farmer incomes (20%)

For indicators that were out of program scope, CFSP was expected to report on the percentage beneficiaries benefitting from other ongoing nutrition programs due to CFSP linkages (38%) and the proportion of target population reporting increased agreement with the concept of gender equality (80%) when in fact the program had minimal touch points with both entire target populations as well as large-scale programmatic initiatives.

For indicators that were assumed to be realistic, CFSP was expected to receive 50 grant applications and provide assistance to 7 enterprises to access agricultural and rural loans valued at \$80,000. While CFSP hit the target for accessing loans on account of the Nekemte FSC accessing one large value loan, the assumption that each FSC would seek program support to access small loans was incorrect, also as a result of market realities and a general apprehension to borrow. CFSP was also expected to measure the value of farmer output marketed through FSCs. However, during implementation, this additional service (output marketing) was considered an additive and growth area for the new businesses who were still struggling with adopting the FSC model to begin with. The only FSC who participated in this activity was the Nekemte FSC, and that was because the Owner/Operator has a longstanding business in this sector. In addition, many indicators that were disaggregated by sex had 25-50% of beneficiaries being women. As farming, and especially entrepreneurship, is still a male dominated sector, this indicator was also quickly realized to be unrealistic.

In the future, CNFA will seek to revise LOP indicators annually and to exclude indicators that are not within program scope as appropriate during implementation.

Lessons Learned and Other Recommendations

While CFSP faced some challenges during implementation, these ultimately turned into learning opportunities. CNFA had a half day workshop with CFSP staff in the final weeks of the program to compile a list of lessons learned.

During the outreach campaign and grant review process, CFSP learned that the **highest attendance at outreach events was not necessarily consistent with the highest number or quality of grant applications**. This led the program to believe that the promotion strategy for the outreach campaign events should be realigned to better reach the target audience. For example, this may include more door-to-door canvassing and direct outreach to enterprises/entrepreneurs. In addition, discussions with participants at these events demonstrated that **some interested entrepreneurs thought the grant of \$40,000 was too small** so some interested applicants decided not to submit when they found out the grant value. As a result, it is recommended to have a range in dollar value on future FSC grants.

During the site visits to the highest ranking shortlisted applicants, CFSP also learned that many of these applicants had trouble spending the day away from their businesses to attend the outreach event and information session. Should a similar outreach campaign be conducted by USAID, CFSP recommends that a campaign would consider that the **strongest businesses/entrepreneurs may need to be surveyed and then approached directly**.

Once selected and working to build the FSCs, grantees continued to **struggle with the “visionary” approach and “new way of doing business” with the FSC model**. It is recommended to establish a mechanism during the grant review/site visit stage to evaluate the applicants understanding and connection to the model. It is urged that CNFA remember to not assume those who have experience with input supply will be the best grantees. It is also recommended that the six FSCs are highly engaged in the follow-on to **serve as role models to the next phase of FSCs** and that the program include a FSC tour to help with understanding of “quality” and “brand,” especially if are to be responsible for the procurement of any goods.

One of the strongest aspects of the program has been the **constant communication between program and grantee staff**. While communication was not perfect and can always be improved, the CFSP program staff continually made themselves available to provide guidance to follow-up on suggestions made during site visits and trainings. This level of dedication, presence and persistence was highly acclaimed during the final Experience Sharing event, and the FSC staff believed it was this high level of interaction that allowed them to be successful and continue keeping the faith for the model.

In regard to staffing, **FSC staff members who were also family members of the Owner/Operator often caused strain or tension for the FSC**. It is recommended that CNFA explore ways to mitigate this reality, perhaps by having the program approve all family members that are selected as FSC staff, or by covering FSC staff salaries in full up front (with a phase out plan) to allow CFSP a larger role in this decision making. **Gender equality in FSC staffing** (target was 50%) was not met and it is recommended that in tandem with addressing the issue of staffing family members at the FSC, CNFA also build the hiring of women into FSC staffing plans.

CFSP also learned that **site visits and strict follow-up with FSC grantees** is necessary to ensure that to ensure that grantees are making progress and on target to achieving milestones in a timely

manner and that the FSCs are operating at full capacity, especially following the ribbon cutting ceremonies. These site visits also given CFSP staff a chance to conceptualize program progress, to field questions and concerns that the grantees may have, and to provide any additional support to the grantees. Looking back, site visits were the main reason the FSCs were even established in the end – they helped to build trust and to provide guidance to the FSCs. Facetime is considered so important to the success of this model, and in Ethiopian culture.

In regard to gender integration, both the program and FSC understanding of “**gender integration**” can be improved. It is recommend that FSCs staff receive training on this topic with a particular focus on how the FSCs can increase women participation (at the store and in events) and gain more women customers for their centers. CNFA also encourages the follow-on program to explore adding grant funds for women specific activities including field visits that target female headed households, women specific training and demonstrations and meet-and-greets with the FSCs. Gender integration should also be included in the FSC quarter report form.

There is a **high demand for the timely supply of high quality inputs** and that there is a **lack of knowledge on safe use and handling of pesticides**. Revealed in conversations with farmers and FSC staff during the outreach campaign, technical training and media events, CFSP staff were made aware of this extreme lack of environmental and safety awareness on pesticide handling/use and the increased demand for both inputs and extension services. After the Pesticide Applicators’ Training, the need for such training and awareness has become increasingly high – especially in the rural areas where sub-standard storage and inappropriate application techniques are already in practice.

In terms of recommended changes to the FSC timeline, it is recommended that program staff work with the pre-selected grantees to hire staff and develop a business plan (more **grass roots approach to developing the business plan**) before signing grant agreements. This will promote buy-in to the activities, timeline and grant spending. **Then immediately after grant is signed and staff is hired, CFSP can begin to train the staff** and get them ready for day-to-day business activities (including demand assessment surveys) while the center is being renovated. While the BMT, technical and supplemental trainings (Branding, Marketing, Communications, HR and M&E) was found to be very beneficial for the FSC staff, CNFA feels this training came late and should be included as soon as FSC staff are hired. During the Marketing module, it was also realized that the importance of FSC-led demand assessments was a topic that the FSC were not familiar with. FSC staff struggled with the questions, “What is a demand assessment– how do you conduct a demand assessment – who conducts a demand assessment and why should an FSC conduct a demand assessment?” It is recommended that this shortcoming be addresses as soon as possible as this is critical to the FSCs stocking the inventory that will turn and create loyalty.

In regard to **FSC-led trainings and demonstrations**, it was learned that the FSCs would have benefited from more advance planning, especially as they are guided by the crop calendar and subsequent availability of farmer participation. It is also recommended that the grant budget for these activities be uniform for all FSCs, that the events be broken into three sections (Pre-land preparation; protection; and post-harvest), that the FSCs are able to access advance funding to properly prepare, and that the events be more thoughtful on ways to include women in trainings, and that this initiative should be driven by FSCs not program staff. As these events are labor intensive to plan, all of these minor adjustments would make these activities more efficient.

Beyond the recommendations embedded in discussion of the challenges and those outlined in more detail above, additional lessons learned and recommendations include:

- Some FSCs noted liquidity strain as a reason for limitations in spending on inventory, demand assessments and trainings/demonstrations. It is recommended that CNFA explore advance payments to FSC grantees for trainings, local procurement that are allowable under the grant agreement.
- The follow-on program would benefit from conducting a formal evaluation (strengths/weaknesses) of the privately-owned and operated FSCs versus the FCU-owned and operated FSCs. There is a fear that ATA will lean towards FCUs as grantees, and while they are good implementers with lots of capital and a customer base, they cannot be members of EGAA at this stage which has implications for the sustainability of EGAA.
- Add money for ribbon cuttings in grant budgets and move these high profile media events to the end of grant implementation.
- Media networking and linkage forums should be made at local level as it was done at Addis level. The follow-up can be provided to ensure the FSCs are using local media entities to promote their products and services to the farmers.
- All experience sharing meetings should have assigned facilitators and minute takers and the program should consider a transition plan so that FSC staff can be enabled to take the lead on this ensuring sustainability and better coordination among the FSCs.
- Increase the number of training days in each module. In almost all training evaluation forms, attendees said they felt rushed and wish they had a few more days to digest/learn the materials.
- The program would benefit from stronger grassroots level relations between FSC and zonal/Woreda level reps

From an administrative perspective, CFSP also learned:

- Program would have benefitted from an internal mid-term review (to discuss challenges and lessons learned). It is recommended that this is included to build team communication and motivate staff.
- A stronger grant and program closeout timeline needs to be adopted wherein grant disbursement should be frontloaded so as to close the financial portion of the grants early, and continue to support the grant through technical assistance and training.
- As program grants involve a heavy amount of procurement, it is recommended that the next program utilize a procurement calendar, receive more thorough training on procurement regulations, and clearly define which items will be procured in Addis by program staff and which items will be procured (based on regulations) at the FSC field level. It was also noted that this may have an impact on how CNFA and/or ATA files VAT reimbursement with USAID. It is also recommended that the program create a procurement committee – with CFSP, ATA and FSC representation
- Clarity on roles for administration and finance (e.g. procurement, cashier, HR, accounting, etc.) can be improved. It is recommended that an additional staff member is hired to divide these tasks more clearly

- Program would benefit from an internal server to share and access program documents.
- Recommended to increase the pool of external trainers/experts to take the burden off the program staff
- Site visits can be more organized including the development of a site visit checklist
- Program would benefit from a consultant or point person who checks-in on the FSCs during construction and renovation to ensure they are uniform and kept to standard
- Recommended to have FOG style grant and advance payments to grantees (as applic)
- FSC milestones need to be better aligned in the business plans and program timeline.
- The quarterly reporting form for FSCs needs to be improved and simplified. The revised form should also include figures to track gender integration activities (# female customers served, any outreach activities)
- The short program video is in fact a great way to publicize the program objectives and activities. The use of video is a great way to capture the attention of event attendees and is a wonderful supplement to on-line media coverage of the program.

Next Steps

Building upon the successes of the Commercial Farm Service Program, USAID/Ethiopia has recently awarded CNFA the three-year **Commercial Farm Service Center – Scale Up Support Program (CFSC-SUSP)** wherein CNFA will continue building the capacity of EGAA Agricultural Input Suppliers PLC and will be working closely with the GoE Agricultural Transformation Agency (ATA) to scale the FSC model throughout Oromia, roll-out the model in Tigray, Amhara and SNNP.

For EGAA development, CNFA will continue to support the capacity building of EGAA staff and will continue to work with EGAA on the implementation and revision of their business plan and internal policies and procedures. Ample attention will also be focused on building relationships and placing orders with high-quality domestic and international input suppliers as well as how EGAA will adapt to an increase in membership as a result of new FSCs established.

For FSC development, CNFA will work with the ATA to share lessons learned and build the GoE's capacity to lead these activities, promoting the overall sustainability and broader implementation of the model. Playing an advisory role to the ATA, CNFA will work hand-in-hand to develop work plans, implement activities, support FSC grantees, and monitor progress.

CNFA looks forward to using this final report as a learning tool throughout the implementation of this new program, and looks forward to making adjustments to the FSC activities and timelines with the ATA during the development of work plans and milestones.

Attachment 1: LOP FSC-led Trainings and Demonstrations

FSC	Date		Type of event	Location	Gov. staff participated			Farmers participated			CFSP/FSC staff participated			Total (Gov + Farmers)		
	From	To			M	F	Total	M	F	Total	M	F	Total	M	F	Total
CFSP	3/Sep/13	6/Sep/13	Technical training	Ambo (Abebech Metaferia Hotel)	11	0	11	0	0	0	21	7	28	11	0	11
Nakamte	11/Feb/14	13/Feb/14	Location specific training	Nakamte FSC	5	0	5	0	0	0	6	0	6	5	0	5
Fiche	18/Feb/14	20/Feb/14	Location specific training	Fiche FSC	2	2	4	0	0	0	3	1	4	2	2	4
Dodola	25/Feb/14	26/Feb/14	Location specific training	Shashamane FSC	5	0	5	0	0	0	2	0	2	5	0	5
Shashamane	25/Feb/14	26/Feb/14	Location specific training	Shashamane FSC	5	0	5	0	0	0	4	0	4	5	0	5
Bishoftu	11/Mar/14	12/Mar/14	Location specific training	Bishoftu FSC	6	0	6	0	0	0	3	1	4	6	0	6
Ambo	19/Mar/14	20/Mar/14	Location specific training	Ambo FSC	4	1	5	0	0	0	2	2	4	4	1	5
Ambo	24/Apr/14	25/Apr/14	Farmers' training	Ambo FSC	0	0	0	10	0	10	4	0	4	10	0	10
Dodola	9/May/14	10/May/14	Farmers' training	Dodola FSC	5	2	7	89	2	91	8	0	8	94	4	98
	29/May/14	29/May/14	Demonstration	Adaba District	10	0	10	74	22	96	4	1	5	84	22	106

Ambo	5/Jun/14	5/Jun/14	Demonstration	Bayo	8	1	9	20	1	21	3	0	3	28	2	30
	6/Jun/14	6/Jun/14	Demonstration	Awaro Kora	2	1	3	28	14	42	4	0	4	30	15	45
Bishoftu	10/Jun/14	10/Jun/14	Farmers' training	Bishoftu FSC	9	0	9	29	0	29	2	0	2	38	0	38
	11/Jun/14	11/Jun/14	Demonstration	Ganda Gorba	9	0	9	29	0	29	2	0	2	38	0	38
Fiche	19/Jun/14	21/Jun/14	Farmers' training	Fiche FSC	0	0	0	38	0	38	4	0	4	38	0	38
	21/Jun/14	21/Jun/14	Demonstration	Fiche FSC	0	0	0	56	2	58	4	0	4	56	2	58
Ambo	24/Jun/14	24/Jun/14	Demonstration	Elamu Goromti	2	1	3	37	6	43	3	0	3	39	7	46
	25/Jun/14	25/Jun/14	Demonstration	Awaro Kora	2	2	4	22	6	28	3	0	3	24	8	32
Nakamte	5/Aug/14	5/Aug/14	Demonstration	Gida Ayana/ Tulu Lencha	6	0	6	99	8	107	3	0	3	105	8	113
	6/Aug/14	6/Aug/14	Demonstration	Guto Gida/ Loko	3	0	3	92	6	98	3	0	3	95	6	101
	7/Aug/14	8/Aug/14	Farmers' training	Ebantu	6	0	6	44	0	44	3	0	3	50	0	50
	11/Aug/14	12/Aug/14	Farmers' training	Diga	6	0	6	62	9	71	2	0	2	68	9	77
Ambo	9/Oct/14	9/Oct/14	Field Day	Ambo	24	2	26	95	8	103	4	3	7	119	10	129
Shashamane	11/Oct/14	11/Oct/14	Demonstration	Arsi Nagele	12	0	12	144	71	215	7	3	10	156	71	227
Fiche	22/Oct/14	24/Oct/14	Farmers' training	Fiche	0	0	0	33	11	44	4	1	5	33	11	44
Dodola	25/Oct/14	27/Oct/14	Farmers' training	Dodola	2	2	4	127	2	129	9	3	12	129	4	133
Nekemte	27/Oct/14	27/Oct/14	Demonstration	Wayu Tuka	3	3	6	101	13	114	4	1	5	104	16	120

	28/Oct/14	28/Oct/14	Demonstration	Leka Dulacha	5	1	6	26	0	26	4	1	5	31	1	32
	29/Oct/14	29/Oct/14	Demonstration	Sibu Sire	6	0	6	130	17	147	4	1	5	136	17	153
	30/Oct/14	30/Oct/14	Demonstration	Sasiga	7	0	7	221	37	258	4	1	5	228	37	265
Bishoftu	30/Oct/14	30/Oct/14	Demonstration	Ude	9	7	16	46	0	46	5	0	5	55	7	62
Dodola	10/Dec/14	11/Dec/14	Demonstration	Dodola	28	2	30	29	1	30	3	2	5	57	3	60
Bishoftu	16/Dec/14	17/Dec/14	Farmers' training	Bishoftu	0	0	0	59	2	61	5	0	5	59	2	61
Demonstration Total					136	20	156	1249	212	1461	64	13	77	1385	232	1617
Training Total					66	7	73	491	26	517	82	15	97	557	33	590
Total (Demo + Training)					202	27	229	1740	238	1978	146	28	174	1942	265	2207

Indicator	Base line	Target/Actual										
		Q1	Q2	Q3	Q4	Y1	Q5	Q6	Q7	Q8	Q9	LOP
FTF Indicators (targets/actual)												
4.5.2 Number of jobs attributed to FTF implementation	0	0/0	0/0	10/0	10/42	20/42	0/2	0/2	10/0	10/10	0	40
4.5.2.5 Number of farmers and others who have applied new technologies or management practices as a result of USG assistance (disaggregated by sex; cumulative at LOP)	0	0/0	0/0	0/0	5,000/0	5000/0	1,000/1457	2,000/8,185	15,000/7,429	30,000/7,811	4,349	30,000
4.5.2.7 Number of individuals who have received USG supported short-term agricultural sector productivity or food security training (disaggregated by sex; cumulative at LOP)	0	0/0	0/0	0/106 92 F: 14 M	100/72 9 F: 63 M	100/178 101F: 77M	300/462 148F : 254M	500/ 404	1,000/ 211 45F: 66M	1,000/ 151 12F: 139M		1,000 (50% women)
4.5.2-11 Number of food security private enterprises (for profit), producers' organizations, water user associations, woman' s groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance (disaggregated by sex; cumulative at LOP)	0	0/0	3/0	6/9 4 F : 5M	7/6 1 F: 5 M	7/9 4 F: 5 M	6/6	9/ 6	9/19	12/ 7	7	12 (25% women)
4.5.2-29 Value of agricultural and rural loans (disaggregated by sex; cumulative)	\$0	\$0/\$0	\$0/\$0	\$5,000/\$0	\$10,000/\$0	\$15,000/\$0	\$0/\$0	\$5,000/ \$180,439	\$40,000/0	\$80,000/0	\$0	\$80,000 (25% women)
4.5.2-30 Number of MSMEs, including farmers, receiving USG assistance to access loans (disaggregated by sex; cumulative)	0	0/0	0/0	3/0	6/6	6/6	6/6	7/7	7/7	7/7	7	7
4.5.2-37 Number of MSMEs receiving business development services from USG assisted services	0	0/0	0/0	3/6	6/6	6/6	6/6	7/7	7/7	7/7	7	7
4.5.2.38 Private sector matching investment leveraged (USD)	0	\$66,000/ \$0	\$155,500/ \$0	\$30,500/ \$44,307	\$30,500/ \$207,404	\$282,500/ \$251,711	\$30,500/ \$87,334.01	\$20,500/ \$26,298	\$27,000/ \$866,648 (mostly matched by	\$24,000/ \$541,915 (mostly matched	\$472,929 (mostly matched by	\$354,600

									inventory)	by inventory)	inventory)	
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Indicator	Baseline	Target/Actual										
		Q1	Q2	Q3	Q4	Y1	Q5	Q6	Q7	Q8	Q9	LOP
Overall Program Impacts (targets/actual)												
FSCs established (ownership of FSCs disaggregated by sex)	0	0/0	2/0	4/6 1 F : 5 M	-	6/6 1 F: 5 M	-	-	-	-	-	6
Value of FSC sales (USD)	\$0/ \$0	\$0/ \$0	\$100,000/ \$0	\$250,000/ \$0	\$300,000/\$0	\$650,000/\$0	\$50,000/ \$14,516	\$60,000/ \$538,983	\$200,000/ 1,446,732	\$500,000/ \$779,271 ¹	\$457,524	\$500,000
Increased farmer incomes (measured by per capita expenditures - disaggregated by sex)	0	0	0	0	-	0/0	-	-	-	-	-	20%
Value of farmer output marketed through FSCs	\$0	\$0/\$0	\$0/\$0	0	-	0/0	-	-	-	-	-	TBD
Inputs supplied by wholesale buying cooperative (cumulative in USD)	0	\$0/ \$0	\$0/ \$0	\$50,000/ \$0	\$100,000/\$0	\$100,000/ \$0	\$0/ \$0	\$0 /\$0	\$50,000/ \$0	\$200,000/ \$0	\$0	\$200,000
Number of households directly benefiting from USG interventions (cumulative at LOP)	0	0/0	0/0	0//112	5,000/120	5,000/232	1,000/ 1,457	2,000/ 8,185	15,000/ 7,429 510 F: 6,919 M	30,000/ 7,811 895 F : 6,916 M	4,349 557F: 3,792 M	30,000
Number of field days and exhibitions	0	0/0	0/0	12/0	12/0	24/0	0/0	2/25	4/5	12/2	11	42
Number of GoE Extension Agents taking part in trainings	0	0/0	0/0	0/0	0/11	0/11	33 8F : 25M	-	12/9	0/12	113 17F: 96M	12
Number of grant applications received (disaggregated by sex)	0	25/0	25/27 6 F : 21 M	-	-	25/27 6 F: 21 M	-	-	-	-	-	50
Number of activities conducted for the outreach campaign	0	4/4	5/5	0/0	-	9/9	-	-	-	-	-	9
Number of FSCs and other private input suppliers benefitting from the creation of the wholesale buying cooperative	0	0	6/0	0/0	6/0	6/0	0/0	6+/6	6+/6	9+/6	6	9+
Value of the volume discounts offered by the wholesale buying cooperative	0	-	-	-	-	-	-	-	-	-	-	TBD

¹ Includes Nekemte FSC sesame sales; Bishoftu FSC feed sales; and Fiche FSC fertilizer sales

Indicator	Baseline	Target/Actual										
		Q1	Q2	Q3	Q4	Y1	Q5	Q6	Q7	Q8	Q9	LOP
Cross Cutting (targets/actual)												
Number of gender assessments conducted	0	-	0/0	0/1	1/0	1/1	-	-	-	1	-	2
Proportion of target population reporting increased agreement with the concept that males and females should have equal access to social, economic, and political opportunities	0	-	-	-	-	-	-	-	-	-	-	80%
Percentage beneficiaries benefitting from other ongoing nutrition programs due to CFSP linkages (disaggregated by sex and age group)	0	-	13%/0%	25%/0%	38%/0%	38%/0%	0%/0%	0%/0%	0%/0%	0%/0%	0%	38%



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Cultivating
Entrepreneurship

Transforming Lives Through the USAID-funded Commercial Farm Service Program

A Compilation of Beneficiary Narratives



Accessible and affordable quality agricultural inputs with professional consultation is a necessity for improved livelihood of all men, women, children and elders in the rural communities of Ethiopia.

**Generated over
\$2.7 MM in sales**

**Reached over
24,800 farmers**

**Trained over
1,500 farmers**

**September 2012-
December 2014**



CFSP has supported the establishment of six Ethiopian owned Farm Service Centers in Oromia Region. These centers provide quality farm inputs, services and training that enable smallholder farmers to sustainably increase productivity and household incomes.

Addressing USAID Ethiopia's Feed the Future Goal

CFSP Achievements Summary

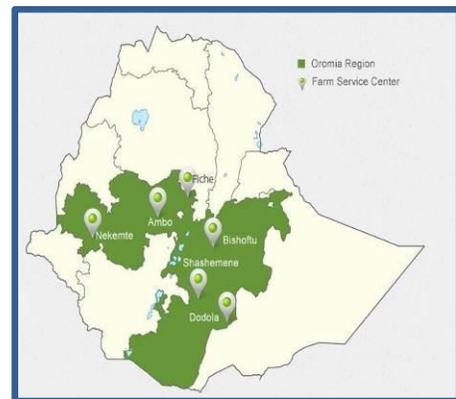
Funded by United States Agency for International Development, (USAID) Ethiopia as part of its innovative Economic Growth & Transformation and Feed the Future portfolio, the Ethiopian Commercial Farm Service Program (CFSP) dedicated more than two years, September 2012 – December 2014, to identifying and building the capacity of Ethiopian entrepreneurs to develop six, privately-owned farm service centers (FSCs) – **the first of their kind in Ethiopia** – and to develop a wholesale apex body that can serve the long term inventory needs of these input supply enterprises.

Major emphasis was given at program inception to surveying and identifying high potential areas for the FSC establishments and over 19 locations in 14 AGP-*woredas* (districts) were visited to assess suitability and market demand.

From these 19 locations, CFSP identified 10 target locations and conducted nine promotional campaigns and town hall style meetings/presentations to reach potential business partners for FSC establishment. Following these outreach events, CFSP received 27 applications for matching grants to establish FSCs. After a thorough grant evaluation process, six grantees were selected. Of the six, one is a woman-owned enterprise, two are owned by farmers' cooperative unions (FCUs), and three are owned by private entrepreneurs.

As seen in the map, the six selected CFSP grantees include:

- Bishoftu – Alema Farms PLC
- Shashamane – Barite Agricultural Inputs Trader
- Fiche Biftu Salale Farmers’ Cooperative Union
- Nekemte – Etafa Mekonnen Crops Trade
- Ambo – Gadissa Gobena Commercial Farm Products PLC
- Dodola – Raya Wakena Farmers’ Cooperative Union



After selection of these six grantees, CFSP staff worked with each to develop a business plan, conducted a formal grant signing ceremony and provided **Business Management Training (BMT)** and **Technical Training** courses to FSC staff, namely the general manager, accountant, agronomist, veterinarian and sales clerks. Supplemental technical assistance training in business management, accounting, human resource management, monitoring and evaluation, and marketing and communications was then delivered throughout the program to build upon the training and ensure that the content was not just learned, but was also being applied. In addition, CFSP also facilitated a three-week artificial insemination training for FSC veterinarians and delivered location- specific technical training at each FSC that was tailored to the crop and livestock production of their respective areas.

Upon meeting the established FSC standards for environmental mitigation, branding and marking, and initial inventory stocking, CFSP staff then worked with each of the FSCs to prepare for a high-profile media event and **ribbon cutting ceremony** to gather key stakeholders and promote the establishment of the FSC within the local and Addis-based agricultural communities. Formally open for business, each of these FSCs now provide smallholder farmers with brand-labelled, high quality inputs and services, customized to local production needs. In addition to inputs and services, farmers can visit uniformly branded and environmentally responsible stores to receive, directly from FSC staff, expert agronomic and veterinary consultations and training.

Building on the extensive training given to FSC staff, the program worked with the agronomists and veterinarians at each center to develop and conduct **FSC-led farmer training and demonstrations** for local farmers. With the support of CFSP staff, the program's six FSCs have held 18 training sessions and demonstrations which have reached over 760 farmers and 540 Government of Ethiopia development agents. Training has focused on improved production technologies for major crops (both pest management and agronomic) and livestock husbandry practices (such as housing, sanitation, breed selection, feeding methods and health care), while demonstration events focused on safe pesticide application procedures and required personal protective equipment (PPE) as well as how urea straw treatment can improve the quality and palatability of crop straw for feed.

Beyond direct support to the FSCs, CFSP also worked to ensure **inclusivity of women farmers** and make certain that these producers have access to both the inputs and technical expertise offered at the FSCs. CFSP staff conducted sustainable business and organizational skill development training for three women's groups around the woman-owned FSC in Shashamane as well as two three-day women-specific business management training sessions for women and women's groups surrounding each FSC. The training targeted women farmers in the areas around the FSC, increasing the likelihood that they would view the center as a trusted information source and partner in their on-farm production and business ventures.

CFSP also provided great attention to raising awareness about **environmental monitoring and mitigation measures**. In addition to including environmental modules in technical training, CFSP also collaborated with the Ministry of Agriculture, Oromia Bureau of Agriculture and CropLife Ethiopia to deliver a three-week pesticide applicators' training to raise the awareness of the dangers of improper pesticide handling and use and begin the certification process for Government of Ethiopia-registered pesticide application professionals. By placing an emphasis on climate smart agriculture as well as the safe use and handling of plant protection products, the FSCs are well positioned to maintain a high standard for environmental safety, and transfer this knowledge and standard to their customers.

Lastly, CFSP worked with the FSCs to develop an apex wholesale PLC that is dedicated to effectively serving the inventory needs of the centers. Established as **EGAA Agricultural Input Suppliers PLC**, this organization, as outlined in its business plan, was created to specialize in pooling FSC financial resources to import, store and distribute agrochemicals, veterinary drugs, and seeds to the member FSCs, securing volume discounts through bulk purchasing directly from manufacturers

Beyond USAID's contribution of a \$140,000 matching grant, the FSC members of EGAA have contributed a total of \$60,000. USAID funds are being used to hire key staff, select office and warehousing facilities, hire truck vehicle for transportation of goods, ensure proper environmental mitigation and develop strong marking and branding. FSC-member funds are used to negotiate for the bulk inventory orders of high priority crop and veterinary inputs with national and international input suppliers. EGAA's financial plan shows that the revenue generated from year one operations will cover the operating costs and expenses, yet with a very small markup purposefully set, resulting in a gross margin of about 11 percent. Accordingly, a positive earning-before tax of \$84,852 and earning-after tax of \$59,397 is forecasted to be generated during the first year. These earnings are expected to continually increase as more FSCs are established and its membership increases.

Due to laws governing the business operation of Farmers' Cooperative Unions (FCU), the two FCU-owned FSCs (Fiche and Dodola) were unable to join EGAA, the wholesale buying body established by CFSP. While continued efforts were made by CFSP to remedy this restriction, the Oromia Cooperative Agency, the body responsible for the management of the FCUs in Oromia, made it clear that no such joint venture would be permissible for FCUs. Nonetheless, the possibility to import inventories through EGAA will remain open for the two FCUs should they need to explore this avenue.



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The Six Farm Service Centers



Personal Accounts from Farm Service Center Owners

Bishoftu Farm Service Center (FSC) – Alema Farms PLC



Major Alemayehou at the grand opening of the Bishoftu FSC

On June 4, 2013, Alema Farms PLC was awarded a grant from USAID to establish the Bishoftu Farm Service Center (FSC). As with other FSCs created by the grants under CNFA-implemented Commercial Farm Service Program (CFSP), the Bishoftu FSC provides a **complete range of inputs, information and output marketing linkages to Ethiopian smallholders**, allowing them to make the step from subsistence to commercial production.

Major Alemayehu Amdemariam, owner of Alema Farms PLC, is a married man with two sons and a daughter. He is a radio electronic engineer by profession and has been working in the agriculture industry for more than 20

years, mainly in poultry. Established in 1993 his company, Alema Farms PLC, has been serving more than 5,000 farmers through the provision of animal feed, poultry equipment, animal vaccines and other related essential supplies.

Specializing in poultry, Major Alemayehu did not have a prior interest to include other agricultural services in his portfolio until an outreach campaign conducted by CNFA introduced the Commercial Farm Service Program (CFSP). This persuaded him to look into other additional agricultural services and explore the existing gaps in the provision of all the necessary inputs to farmers. By September 2013, establishing the Bishoftu FSC, one of the first farm service centers in Ethiopia, Alema Farms PLC planned to diversify its products and services to include livestock and crops inputs and hoped to reach many more customers than before.

In December 2014, more than a year after CFSP started working with Bishoftu FSC, Major Alemayehu confirms that his expectations of succeeding in this business have been exceeded. ***“I had a dream to one day supply improved inputs to the smallholder farmer - and this dream was mainly related with poultry equipment and animal feed,”*** Major commented. He continued that, ***“Now, I think this dream is becoming a reality and because of the FSC it is even growing beyond poultry and animal feed. The smallholder farmer can get all inputs from the Bishoftu FSC and I believe this has opened a lot of opportunities for many farmers.”***



Major Alemayehou

Major Alemayehu also confirms that the contribution of the CNFA team has provided a remarkable amount of support in-terms of setting up the physical structure of the FSC, training the FSC staff and establishing linkages with suppliers. Sales from the Bishoftu FSC are now more than three million Ethiopian Birr (estimated at 150,000USD) and Major Alemayehu expects that this figure will continue to grow in the future. The FSC is ready to continue improving its technical support, machinery services and training seminars.

Major Alemayehu believes that he owes all of this success and plans for future improvement to the Commercial Farm Service Program. He said, ***“I must say that CFSP has taken me one step ahead of my***

previous plans, especially in regard to agro-chemical sector and training of farmers. The demand for both of these is very high around Bishoftu. After opening the center, it is clear how we have contributed to improving the productivity of smallholder famers - all plant protection products that farmers nearby Bishoftu need are available in our store. We have had more than 500,000 ETB in sales from agro-chemicals and I believe this figure will grow to be in the millions soon."

CNFA's FSC model is also appreciated by the owner of Bishoftu FSC. He acknowledges that it is a new idea that works by using more advanced strategies especially related to marketing, customer service and staff capacity buildings. Stressing on the importance of private sector involvement in this model, Major Alemayehu said that, ***"I have no doubt that this model is profitable and beneficial to all involved. I'm a witness of how the FSC links farmers to professionals and inputs and have seen the benefit of this approach. I recommend that there is a minimum of one FSC per zone - if not two or three - in order to make agricultural inputs readily available to smallholder farmers throughout the country."***

Major Alemayehu confirmed that the Bishoftu FSC is able to continue the work it started with no further support. He also believes that with further capacity building and support from USAID and similar projects, the FSC can more than double its sales. He said, ***"We are confident that the work will continue with similar quality and standard but it is no doubt that additional capacity building and further support will only enable us work even better."***



Nekemte Farm Service Center (FSC) – Etafa Mekonnen Crops Trade



Ato Etafa

On June 4, 2013, Etafa Mekonnen Crops Trade was awarded a grant from USAID to establish the Nekemte Farm Service Center (FSC). As with other FSCs created by the grants under CNFA-implemented Commercial Farm Service Program (CFSP), the Nekemte FSC provides a **complete range of inputs, information and output marketing linkages to Ethiopian smallholders**, allowing them to make the step from subsistence to commercial production.

A married man with five sons and three daughters, Etafa Mekonnen has over 20 years of experience in agribusiness. Specializing in cereal and oilseed crop production and output marketing, Etafa is a farmer himself and has a very close and strong bond with farmers in Nekemte area. Through many years of business, Etafa Mekonnen Crops Trade has developed a strong level of trust, loyalty and continuous service with more than 70 local farmers.

Over 10 years ago, Etafa started using rental tractors for his own farming and was considered a model farmer in the

area. Even now, he is known for introducing mechanized farming using tractors in Nekemte and its surrounding areas. Continuing to serve farmers, Etafa Mekonnen Crops Trade has not only taught farmers by showing them mechanization practices employed on his own farm, but has also rented out required machinery to help other farmers increase their agricultural productivity.

Etafa had planned to expand his company’s services to include livestock fattening and exporting sesame. The CFSP grant opportunity initially attracted his attention as it had the objective of serving farmers with many more services beyond even his original plan. He felt he was a good candidate since he is already well known in the agricultural market and has many established networks in the community nearby Nekemte. After opening the Nekemte FSC in September 2013, he started to understand the way the farm service center operates and he realized that he could still make a healthy profit while maintaining a fair and accessible price for the smallholder farmers.

Etafa appreciates the contribution made by the CFSP staff in establishing his FSC. CFSP helped build the capacity of his newly employed staff and helped improve linkages with input suppliers. Despite the challenges faced to run Nekemte FSC, he stressed the importance of the tireless efforts exerted by CNFA to motivate and build morale of his



Ato Etafa outside the Nekemte FSC

staff and even himself.

The farm service center model and the strategy to work with private sector entrepreneurs is well appreciated and understood by Etafa. ***“It is like a dream for me. This approach is what we have been looking for; and it will definitely have positive impact in terms of avoiding illegal business at the national level,”*** he remarked.

He continued that, ***“The continuation of establishing more farm service centers will have two main impacts. First, it will benefit the smallholder farmer by providing the inputs they need in one place with fair prices. The FSCs are not part of an Addis-based PLC that will serve the inventory needs of the centers and will organize bulk orders which will result in inventory stocking discounts and ultimately lower prices that will benefit the smallholder farmer. Second, the FSC model will eventually eliminate the middle men and other illegal business holders from the market. After CFSP is extended and able to establish farm service centers all over the country, the chain of the illegal traders or middle men throughout the country will be broken.”***

The Nekemte Farm Service Center is looking forward to working on the broader services they aspire to give to farmers. ***“Now that CFSP showed us the way, we’re planning to work harder,”*** Etafa stressed. He continued that, ***“We will try to better understand the needs of farmers in Nekemte and its surrounding areas and we will strive to serve those needs to the extent of including distribution in our services and reaching out to communities living in distant locations from the FSC. And with the support from the PLC, I am sure we will progress. We believe we can bring better changes in the lives of the smallholder farmer and we will make sure CFSP’s objective will continue to be achieved even after the end of the program.”***

Shashemane Farm Service Center (FSC) – Barite Agricultural Input Supplier



W/o Adanech

On June 4, 2013, Barite Agriculture Input was awarded a grant from USAID to establish the Shashamane Farm Service Center (FSC). As with other FSCs created by the grants under CNFA-implemented Commercial Farm Service Program (CFSP), the Shashamane FSC provides a **complete range of inputs, information and output marketing linkages to Ethiopian smallholders**, allowing them to make the step from subsistence to commercial production.

W/o Adanech Zewdie, owner of Barite Agricultural Input Supplier and now the Shashamane FSC, is a mother of

four who was married for 22 years before losing her husband. After losing her husband, she worked diligently in hopes to achieve all the objectives they set together and make sure nothing in their family businesses went astray in his absence. After high school, Adanech went to college to study secretary of science and during her studies she was employed at the Kuyera Hospital of Shashamane where she served for a total of 13 years as the hospital's office manager. Adanech then established two private businesses with her husband – first the Barite Agricultural Inputs Supplier (now 21 years old) and the Leti Pharmacy (now 11 years old). The agricultural business faced many challenges in both being able to stock the right inputs and obtain the trust of the local farmers. After working hard for many years, Barite Agricultural Inputs Supplier is now known as the reliable provider for more than 80 percent of farmers in Shashamane district as well as for farmers in the nearby districts.

When describing the change in her work as a result of joining the Commercial Farm Service Program, Adanech says that the infrastructure of the center has improved as well as the capacity of the center staff as a direct result of training in business management and environmental mitigation. In addition, the program also assisted in increasing the visibility and new brand of the center and as a result has expanded attention and knowledge of the center from various areas outside Shashamane. ***“We had our own plan before the program started - we hoped to support smallholder farmers in every way possible, after all Barite was established for the farmers,”*** said Adanech. ***“With CFSP, we were able to strengthen the plan we had and we are now able to measure our contribution; we now have a much stronger relationship with input suppliers; and our work has been expanding as a result of having many more customers. In general, CFSP has been supporting my work in many ways.”***

With regard to the farm service center model, Adanech and her son Beka, who is currently managing the activities and inventory of the farm service center, believe that this is a very efficient and effective approach to support farmers. And beyond the farmers, they also added that this model enables entrepreneurs to increase their knowledge in business management and to provide holistic agricultural services. Adanech said, ***“I always tell myself that the things we learned from the FSC model are not to be found in school or through education - this is a ‘real hands on’ way of working with a practical approach and we have witnessed the changes.”***

The private sector involvement in such development initiatives is also well appreciated by Adanech and her son. Beka said that for a visionary investor, this approach will enable and motivate others to work harder to serve the community. On the other hand, he said this is a sustainable approach that can have a positive contribution on a national level because the Ethiopian investor will be able to financially benefit from the model in addition to serving the farmers. They also appreciated the uniqueness that this approach has in terms of not simply giving money or equipment – rather - they said they appreciate the fact that the program works to equip the entrepreneurs and their staff with education and awareness, ultimately making



W/o Adanech and son Beka outside the Shashamane FSC

their business more sustainable. Adanech added on that saying, ***“It feels really great to know that we are not alone in working towards our vision. It is great to know that CFSP shares my long existing vision and that with this supports my vision can be achieved.”***

Emphasizing the program’s benefit to her existing business, Adanech is confident that with the support of her staff and children she can continue to serve smallholder farmers with the same standard established by CFSP. ***“Since CFSP staff held our hands throughout the program coaching us on how to do every step of the work and maintain high standards, we can now continue doing the same. I would like to use this opportunity to thank all CFSP staff for their dedication and hard work in guiding us. I have always known my customers have had changes in their lives through Barite’s services but with CFSP support, even more changes are observed in their work as well as their day to day lives,”*** she remarked.

Engaging the Farm Service Center Customer

Improving Confidence of Farmers – Ambo FSC



Tewodros on his farm

Tewodros Beyene is a married man with a daughter who lives in Ambo, located in the West Shoa Zone of Ethiopia's Oromia Region. He is a smallholder farmer who mainly works on vegetable farming and on his livestock herd. He believes that the services and support he is currently getting from Ambo Farm Service Center (FSC) have improved his farming practice and have given him the confidence to continue to move forward.

Tewodros always shops for agricultural inputs from Ambo FSC. He appreciates that seed and animal feed demonstrations are provided within the compound of the farm service center. When

asked about how the center influences his on-farm practices, Tewodros stated that the newly introduced international standard quality products combined with the support and advice he gets from the staff motivates him to work better. ***“Even the fact that the products are available here in the town helps farmers’ work harder,”*** he commented. ***“On top of that, the medicine I use to remove weeds in my farm worked really well; there is no single weed on my farm at the moment.”***

Tewodros visits the FSC often for consultation by the technical staff. Because of the guidance provided by the FSC, he is now applying all the safety cautions prior to applying chemicals in his farm and is even wearing the proper personal safety equipment. Based on the knowledge he gained, he is now implementing modern farming practices and is well aware of managing crop diseases in a timely manner.

As a result of the advices and consultations, Tewodros has more confidence as he seeks to improve not only his family's livelihood but also his community's approach to agriculture. Because of the FSC, he believes his community can improve its farming systems through teaching modern farming practices in collaboration with the FSC and concerned government bodies. ***“I am 100 percent confident that there will be an increase in my income and farm production through the current farming practices I have started with support of Ambo Farm Service Center,”*** said Tewodros. ***“I also believe I can work more on community mobilization demonstrating the FSC products to motivate farmers.”***

The establishment of a farm service center in Ambo has not only changed the current farming practices, but also encourages innovative and transformative changes in farming practices. ***“The Ambo FSC is a unique vision for us all,”*** Tewodros stressed. ***“All the demonstrations and expertise motivates farmers to work harder and improve their on-farm production.”***



Tewodros with his livestock

Expert Veterinary Advice Saves a Cow – Ambo FSC



Chalse with her baby

Chalse Dubale is a married woman who lives with her husband, their three children and her mother-in-law on the edge of Ambo Town. The source of income in their home is mainly through farming vegetables. They are also dependent on their livestock products, mainly milk, for household consumption.

The first time Chalse heard about Ambo FSC was when her cow was very sick and she had no place to go that could help her cow. She took the cow to many places in search of cure -from traditional doctors, to local elders – but they were unable to cure her cow. Other community members who took their animals to Ambo Farm Service Center (FSC) for treatment told her that she should go there. Chalse describes that moment saying, ***“I was feeling helpless and was almost sure my cow was going to die... until they told me that there is no place else where my cow would survive except for Ambo FSC.”***

By the time Chalse heard about Ambo FSC and decided to give it a try, the cow was very weak and couldn’t even walk on its own. She walked for more than an hour before she reached Ambo FSC.

“I was so surprised to see the doctor taking care of my cow as if it was his own,” she recounted. ***“He was feeding the cow with his hands, gave it different medicines and took his time to explain to me what the problem was, what I should feed it and how. After that day, I fed my cow with my hands just as the doctor did and I gave it the medication. I noticed a change day by day and after few days my cow was fully cured and started serving its purpose in the house once again. I am very happy that this Farm Service Center exists in Ambo.”***

The medicines and services that she received at Ambo FSC saved her cow’s life. Based on her positive experience with the center, she also started buying improved seeds and she said, ***“The seed I purchased at the Ambo FSC is very unique, even the look is different and there is more content in the bags than the others I used to buy as well as the variety.”***

After personally experiencing first-class service and treatment at Ambo FSC, Chalse expressed, ***“I wish such farm service centers could be everywhere in the town and closer to all kebeles (neighborhoods) and villages.”***



Chalse with her cow

Saving Addisu's and Taye's Vegetable Harvest – Bishfotu FSC

Addisu Bade and Taye Eshetu are young farmers from the town of Bishoftu who are working in partnership on improving their agricultural production. Addisu adopts and promotes modern farming practices and Taye works directly on the farm, contributing mainly labor. It has been more than two years since they started working on irrigation farming and they have been quite successful.

Irrigation farming, especially for vegetable production is common during the non-rainy season in Bishoftu area. During this season, Addisu and Taye segregate their small plot of land into smaller pieces to be used as a sample testing for different types of vegetable seeds. When the production on the sample testing plot is successful, they then plant a larger amount on the larger plots of farming land.



Addisu (left) and Taye (right) on their farm

Both Addisu and Taye recall the most difficult stretch during the last two years of production. It started over a year ago when there was a pest attacking their tomato farm. Addisu and Taye were not sure of what to do and they witnessed large number of farmers in the area losing their production. As Addisu had heard and recently began shopping at the Bishoftu FSC, he went to the center to buy medicine for

the pest attacking their tomatoes. Addisu said, ***“I remember the medicine was very expensive and was not affordable by most farmers but I bought the medicine and applied it in consultation with the center’s agronomist. Even if it was expensive, I trusted the farm service center because I bought other inputs from them and everything had been just perfect up until that point. I tried to convince many farmers to also buy the medicine for their tomatoes because I knew they would lose more than what they would have spent on the medicine by not applying the medicine. I truly appreciate the consultation from the FSC. I can go in-person or call the professionals to seek their advice. They really have confidence in their products so we are not afraid to take it even if it is new or expensive. We trust it will have results. I saved my tomatoes and I’m so grateful for the Bishoftu FSC.”***



Addisu on the farm

In addition to plant protection products and other medicines, the seeds Addisu and Taye bought from the farm service center resulted in a much higher vegetable production than they expected. With this success, they witnessed that the Bishoftu FSC has the best seeds in town. When asked what they felt was keeping the farmers loyal to the Bishoftu FSC, they responded that it was due to the relatively reasonable price, the fresh products

and the proper management of expiry dates. Addisu stated, ***“The FSC’s greatness is unspeakable. No seed or product I bought from Bishoftu FSC is lost - all had resulted in great returns and I’m a live witness for that.”***

Expert Advice alongside Vet Inputs Saves Family's Cows – Bishoftu FSC



Shewangighiw on her farm

Shewangighiw Tesfaye is a married woman with four children. She and her husband live outside of Bishoftu and own a small dairy farm from which they sell milk products and serves as their source of income. Before finding out about Bishoftu Farm Service Center (FSC), they had to buy inputs for their farm from merchants in town and struggled to find products that were both available and affordable.

Shewangighiw is member of an organization that coordinates milk processing and selling individuals. This organization received an

invitation from the Bishoftu FSC to send participants for training on animal husbandry. On behalf of her organization, Shewangighiw attended the training with little knowledge about the different services available at the FSC. ***“At the training, I was taught how to improve the production of cows which was very useful for me,”*** expressed Shewangighiw. ***“At that moment, my cows were sick. The training focused on cow breast illness and how to handle it. Because of the training, I realized that many of my cows had breast problems. After the training, I talked to the FSC veterinarian who was leading the training and he provided me with good advice and prescribed medicines for my cows. He also introduced the other products and services available at the center. The medicine worked really quickly. Because of this training and medicine provided by the FSC veterinarian, my cows were saved. Even those that were not giving milk started to give milk. I’m now recommending others to go to Bishoftu FSC to buy their products.”***

Shewangighiw knows from first-hand experience that there is a difference in the Bishoftu FSC compared to the other shops - including the quality of the medicines and that their service includes training and consultations.

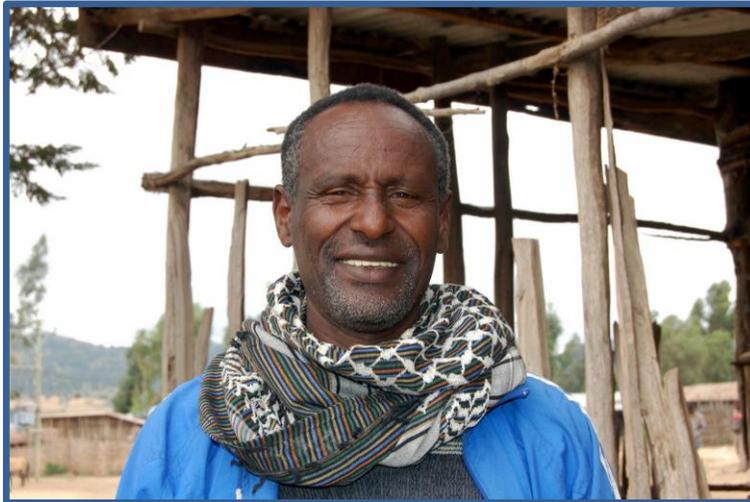
At the household level, Shewangighiw was able to share her knowledge and enthusiasm for the center with her family. Her husband commented that as a result of the training, ***“Our livestock related activities are progressing well and we hope to work in much bigger farms in the future.”***



Shewangighiw's husband with the livestock



“What More Could We Ask For?” – Dodola FSC



Amanu on his farm

Amanu Guye lives in the town of Dodola, which is located in the West Arsi Zone of Ethiopia’s Oromia Region. He is married with 11 children, eight of whom are dependent on the income from his farm’s crops and livestock. Amanu is a member of a community service group who works with the Raya Wakena Farmers’ Cooperative Union, which opened the Dodola Farm Service Center in December 2013. Amanu heard about the newly opened FSC in a meeting organized by the service group in his community. **“I used to buy products from Raya Wakena Farmers’ Cooperative Union,” he remarked.**

“I was pleased to see that it had opened a new shop for farmers with both crop and livestock sections.”

Amanu has been close to the activities of Raya Wakena ever since he started farming. He attends regular training and buys different products from the union. He is very grateful for the new farm service center established in the union and recognizes that the new additions are very useful to farmers in the area. He said, ***“We used to go around looking for different inputs like chemicals and veterinary drugs but now that is no longer necessary because the Dodola Farm Service Center has everything we want and need. It is truly a one-stop-shop and has everything a farmer needs- seeds, medicines, training service, machinery service – everything is available and this really helps the farmer.”***

When asked about the pricing at the FSC, Amanu said that, ***“I must also say the price difference of the products is amazing and now that the Dodola Farm Service Center is providing products at fair prices, farmers will no longer suffer from the high prices of other merchants in town. On top of all this, we farmers can now take products on a credit basis. So even if the FSC is out of stock, we choose to wait until the stock is replenished and can purchase from the center instead of elsewhere.”***

With eight children depending on him, Amanu is thrilled to be a customer of the Dodola FSC, which he feels is truly the definition of a one-stop-shop. Beyond inputs, Amanu also stressed the value of the center’s output marketing advice. He said, ***“We are encouraged to capture output market opportunities as the FSC staff advises us to be timely in making our products available so that we can sell at the right time and make a better profit.”*** And while he knows the center will continue to grow and support his family, he realizes that even now there is a lot to be grateful for. He poses the question, ***“What more would we ask for? The Dodola FSC is a one stop shop with all the affordable inputs and services that all smallholder farmers need.”***



“I Can Now Afford to Send my Children to School” – Dodola FSC



Mamo on his farm

Mamo Birhanesilase lives in Dodola, which is located in the West Arsi Zone of Ethiopia’s Oromia Region. He is married with 15 children. Mamo provides for his family with the income he gets through farming. Mamo has been close to Raya Wakena Farmers’ Cooperative Union and in the past years has learned a lot about modern farming and fertilizer use through training and demonstrations. As a result of changing his use of inputs and practices, he has had better crop production.

Mamo heard about the newly opened Dodola Farm Service Center when he was attending a meeting organized by the union. He visited the FSC several times throughout the next few months, bought crop medicines, vaccines for livestock, and also improved seeds. He also attended two training sessions organized by Dodola Farm Service Center. He said, ***“After I attended the training, I was able to try the modern farming methods I learned about with my family and I recognize the difference. It is really helpful and my production has increased tremendously. Before, I used to get 10-15 quintals of production at a time but now I get up to 60-70 quintals of production.”***

Mamo also appreciates the way the FSC staff has provided quality customer service. He said, ***“The way they greet us, talk to us is different than in other shops. Their overall character is inviting and it encourages us to ask for advice more often. Typically, we do not expect to gain any knowledge from the merchants. The union told us once that we are free of merchants who mistreat us by selling overpriced and expired products and I can truly say I am a witness for that - we are free of them and we are receiving exceptional treatments and knowledge at the Dodola FSC.”***

But perhaps what is most impressive about the center is the impact it is having on the personal lives of the customers. Mamo was proud to report that, ***“With the support I get from the farm service center I was able to practice what I learnt and a lot has changed in my life. Before, simply buying food for my family was struggle for me and now I can send my children to school. I couldn’t have done that without all the training I received and the quality products I bought from the Dodola Farm Service Center.”***

Supporting Veterans in Their Return to Agriculture – Fiche FSC



Kebebew on his farm

Kebebew Tilahun is a smallholder farmer and recently retired veteran who served the Ethiopian government for two decades. He lives in Fiche, which is in the North Shoa zone of Ethiopia's Oromia Region. He, his wife, their four children and a young boy that looks after his cattle are all adjusting to his retirement and return to farming. When describing how it felt to go back to an agriculture practice after 20 years, Kebebew said, ***"I used to be a farmer before joining the military and I only remember the traditional farming methods and the very few shops selling***

some products here and there. In fact, I had some fears about starting agriculture once again as I was not sure about the current trends."

Luckily for Kebebew, the Biftu Salale Farmers' Cooperative Union established the Fiche Farm Service Center right next to his home. ***"I saw the farm service center signs alongside the road and I asked around to learn what services they offered,"*** Kebebew remarked. ***"After I heard, all I remember is how lucky I felt to have this kind of shop that has everything I might possibly need right next door."***

The shop is different from what Kebebew used to know - the services are different, the products are different and even the prices are different and lower than he remembered. Kebebew now buys all the products he needs for his farm from the Fiche FSC including vegetable seeds, medicines and fertilizer. He also goes to the Fiche FSC for consultation to ensure he has all the information and knowledge required to start new on-farm activities. He said, ***"I now understand how I can produce and supply quality milk in the market. I consult the FSC staff every time I think of starting new work and the result has been amazing. I must say, all my fears at the beginning have disappeared because of the existence of the Fiche Farm Service Center."***

Kebebew's transition from military service to agriculture has not been as challenging as he expected since he was supported by the Fiche Farm Service Center. He is now using modern farming techniques and has noticed major differences from the traditional methods he used to practice. Kebebew gratefully added that, ***"I believe there is a lot of positive change in my life - not only for me personally but also at a national level. It is amazing to have a place like the Fiche FSC that can teach and guide farmers to improve their production and income. Because of the Center, we are no longer forced to produce only from hand to mouth -rather, we can even save our production that is enough for a year or two. I must say that starting up my agriculture practice again was both a motivating and convenient situation. It was the right decision for me and has been a very good year – in fact, greater than I could have ever hoped for. Representing both myself and the community, I must say the Biftu Salale Farmers' Cooperative Union and its Fiche Farm Service Center represent the hope for farmers' future and I have witnessed there is a big change in terms of serving and improving the lives of the farmers."***

Increased Knowledge and Safety Through Training and Consultations – Fiche FSC



Aster on her farm

Aster Bekele lives in Fiche town with her husband and their two kids. She and her family’s main source of income relies on crop and livestock farming. Aster has frequented the Fiche Farm Service Center (FSC) and is excited to share how she and her family are benefitting from the knowledge she has gained from the Fiche FSC, which has had an influence on her crop and livestock practices.

“After taking training, my family and I are moving away from the traditional animal husbandry methods,” Aster explained. *“We have started mixing our animals with other*

breeds and we have found that the mixed breeds give us more and better milk production. On the crop side, we now know about the problem we have been facing for many years. We never knew much about weeds – what they were, how they affected our plants, and how to get rid of them. At the training, I learned that there are several types of weeds that are affecting our crops. I also learned about how to get rid of the weeds, what medicines there were for it and the knowledge on how to apply the medicine – all in one training. Before this training, we used other medicines that actually brought no change and we now know that the way we used to apply those medicines was very dangerous to our lives. We now know how to safely apply crop medicines and we are teaching other farmers what we learned.”

Aster is a model farmer who is also teaching other farmers in her community on how the FSC is different from the other shops in the area. She explains how safely the medicines are stored and how fresh the products are as compared to expired ones sold elsewhere in town. *“The FSC professionals explain in detail what the medicines are for and how to safely use them before handing the product to us as opposed to other shops who just hand out everything we ask as long as we pay,”* described Aster. *“In the Fiche FSC everything is different - starting even from the way they welcome customers. Most importantly, I believe the availability and accessibility of inputs and knowledge has really increased our productivity.”*



Aster with her livestock



Building Lasting Partnerships in the Community – Nekemte FSC



Abiyot in Nekemte

Abiyot Boru is a farmer and manager of Hora Education, Training and Share Company in Nekemte, which is located in the East Wellega Zone of Ethiopia's Oromia Region. The on-farm production around Nekemte favors animal fattening, selling dairy products and recently has also expanded to include irrigation farming to grow corn and vegetables. With all these activities, Abiyot and his company understand the importance of the Nekemte Farm Service Center to individual farmers as well as to other institutes and companies in town. He stated that, ***“A great opportunity for improved agriculture in Nekemte has been created due to the establishment of the Nekemte Farm Service Center.”***

Similar to other parts of the country, agriculture practices face several challenges in Nekemte. Some of these challenges include poor market linkages to sell products; a lack of qualified professionals in the area; and

a lack of inputs including medicines for crops and livestock diseases. In addition, there have also been major challenges related to the quality of the inputs available. For example, one can find several types of seeds on the market but Abiyot notes that, ***“Not all seeds are the quality seeds that are essential to ensure production.”*** Furthermore, he noted that the cost of buying inputs as compared to the selling price at output markets often discourages farmers from taking the risk of buying new products. And due to restrictions in funding, local research centers are not able to experiment on new products and subsequently promote those that work.

The community in Nekemte is dependent on agriculture practices and most travel long distances to other towns looking for inputs – that was until the Nekemte FSC was established. Abiyot reported that, ***“Now that the Nekemte Farm Service Center is open, we order and wait for them to bring the products because we trust the quality of the products they sell.”*** The crop and agriculture show rooms, warehouse and the overall storage and selling practices are safe and supported by experts – which Abiyot feels helps motivate farmers to trust the center.

The Nekemte Farm Service Center not only sells products in such an appealing environment but also employ staff members who treat each and every customer with respect and concern – which makes the local farmers feel that the Nekemte FSC is their home. ***“The first thing that comes to our mind when thinking of the Nekemte FSC is that the staff are our friends now and that we can get all the professional advice and support we need directly from them,”*** Abiyot emphasized. ***“Before, I witnessed professionals selling products with very little or no knowledge about those products. Personally I feel really relieved that this center is in our town and that we have it nearby makes farmers work with more energy and less fear.”***

Abiyot's company, the Hora Education, Training and Share Company, is one of the major stakeholders in the Nekemte town working on agriculture related projects. As the company recognizes the importance of the center, it has established a partnership with the Nekemte FSC to ensure the improvement of agriculture in the surrounding area and to reach a larger number of smallholder farmers in the town. Abiyot stated that, ***“My Company is ready to provide land for the Nekemte FSC to research and practice sample products that are in their shop so that they will be able to demonstrate product impact prior to selling and to use the field to train and give advice to smallholder farmers with more evidence based information.”***

From Seeds to Improved Lettuce Sales – Shashamane FSC



Jebriel on his farm

Jebriel Denebew is part of a large family that resides near the town of Shashamane. He and his 10 other brothers and sisters used to help his parents on their farm when he was younger and he has since continued as a farmer. He first visited the Shashamane Farm Service Center (FSC) while passing through town to buy lettuce seeds after hearing from friends in a town nearby of the shop's quality maize. He appreciated the

convenient location of the shop, the comfortable arrangement of

the showrooms and also the low prices of the products. Because of his positive shopping experience with the lettuce seeds, Jebriel went back and bought carrot, beet root and other vegetable seeds from the FSC.

Jebriel is very pleased to report that the lettuce seeds he purchased at the FSC began to show results immediately. ***"I bought lettuce seeds for 30 birr from Shashamane Farm Service Center,"*** he explained. ***"The production was beyond my expectation. I sold the lettuce I grew and I earned 15,000birr. I even opened a small shop to sell my vegetables after this experience."***



Jebriel and his family proudly displaying the purchased wood

Jebriel believes that he will continue to see positive results if he utilizes Shashamane FSC seeds. He also hopes to buy other agricultural inputs from the FSC, including small tools and medicines. ***"I would not be this happy and encouraged by the results if I didn't have the quality products from the Shashamane FSC,"*** Jebriel remarked. ***"I am getting lots of benefits and I am very happy to be able to support my family. Recently, I secured a small plot of land and I am planning to construct my own house. I have even already bought the wood with the money I received from selling the lettuce I grew."***



Improving Productivity and Inspiring Dreams – Shashamane FSC



Abdela on his farm

Abdela Edao is a young, passionate smallholder farmer in Shashamane, which is located in the West Arsi Zone of Ethiopia’s Oromia Region. He is married with one child and he supports his own family as well as his parents and siblings. He started farming about two years ago. Before starting his own farming, Abdela used to go with his father, who is also a farmer, to purchase seeds and other products for the farm. He knows from this experience that it is very challenging to find good quality seed, veterinary medicines, plant protection products and agricultural tools.

Abdela first went to the Shashamane Farm Service Center (FSC) with his father and recalls that the shop was known then as it is now for its quality maize seeds. Now that he has started his own farm, he continues to shop at the Shashamane FSC, hoping that all the seeds he buys would also be high in quality like the maize seeds his dad purchases.

He bought different varieties of vegetable seeds and medicines for his maize and potato farmland. ***“Before I went to Shashamane FSC, I used to buy products elsewhere and the seeds did not produce good products - I remember always feeling like I had lost. After I started using the FSC’s products, I started to have real harvests,”*** Abdela expressed. ***“I can say that after having good harvests, many things changed in my life because I started making money. I changed my home from a small mud and grass house to a house with iron sheets. I bought one cow for milk processing. I bought twelve goats that I use for fattening and to sell at the local market. In addition, I saved about 40,000birr in cash which has enabled me to further invest in my farm and family. I believe my life has changed for the better and I owe all of these changes to Shashamane Farm Service Center. I think all smallholder farmers should know about the FSC and should have access to such services in order to have better lives.”***



Abdela with his family

Abdela believes that he will be able to reach his goal of being a model farmer and teaching his community about all the products and services he is getting from Shashamane FSC. He is very happy with his current achievements. In the future, he wants to keep on practicing farming and saving money so he can one day open his own center so that he can be close to and serve the needs of his fellow farming community members. ***“I plan to be working just like the Shashamane FSC and support the nearby community. I will do what it takes and commit myself to open my own farm service center in the future. Until then, I trust I will keep getting all the products and services from the Shashamane FSC and because of this, I believe I will eventually achieve my dream.”***