

Quarterly Newsletter

Welcome to the first quarterly newsletter of the Agricultural Transformation Agency.

The ATA has launched this newsletter to keep our partners aware of and engaged in our work through updates on important progress made throughout the year.

In this first edition of the newsletter, you will find highlights about the following:

- Prime Minister's visit to the Amhara region to view ACC Activities
- Handover of first cooperative storage facility to FCU
- Finalization of a National Foot and Mouth Disease Control Strategy for Ethiopia
- Commitment of major greenfield investment by Boortmalt, part of the Axerial Group, a major agricultural cooperative
- Ethiopia's participation at Gulfood and Biofach trade shows

Prime Minister Hailemariam Dessalegn Attends ACC Field Day in Amhara

In December, FDRE Prime Minister Hailemariam Dessalegn visited one of the Amhara region clusters of the Agricultural Commercialization Cluster (ACC) Initiative. The ACC Initiative, established to strategically integrate Transformation Agenda Deliverables at the local level along specific crop value chains, organized the field day to showcase its achievements at the end of the growing season, just in advance of harvesting. In addition to the Prime Minister, the event – held in Siya Debir and Wayu woredas of Amhara – was attended by representatives of partner organizations like the Embassy of Denmark and the Bill and Melinda Gates Foundation (BMGF), as well as senior government officials.

Guests were shown the impact of efforts to increase productivity of bread wheat, which have resulted in yields of up to 65 quintals per hectare. This is nearly three times more than the regional average for bread wheat, reported by the Central Statistics Agency as 23.8 quintals per hectare. Guests were also shown the impact of

mechanized harvesters and threshers for wheat and tef, and the success of cattle fattening and dairy production in the cluster.

During the event's discussions, PM Hailemariam stated his admiration for the progress made in agricultural activities in the two woredas, and encouraged local farmers to share the biggest challenges they face. Farmers highlighted the lack of transportation and electricity, limited mechanization, and weak market linkages. The PM affirmed that many of the issues were already recognized by the GoE and that they would be addressed according to priority.



ATA, FCA, and RCPA Hand Over First Cooperative Storage Facility to FCU

The ATA, Federal Cooperatives Agency (FCA), and the Tigray Regional Cooperative Promotion Agency (RCPA) handed over a grain storage warehouse to Bokra Farmers' Cooperative Union (FCU) in January in Maichew, Tigray. This marks the handover of 11 of 44 warehouses constructed throughout Ethiopia's four regions with funding from the Agricultural Growth Program (AGP). Warehouses were also handed over to 10 affiliated Primary Cooperatives (PCs).

In an effort to catalyze the commercialization of smallholder farmers, the ATA, FCA and RCPAs designed and jointly implemented the cooperative storage building project to expand storage capacity in Amhara, Oromia, SNNP and Tigray. The facilities are expected to contribute to food security and price stabilization by increasing farmers' access to modern and reliable storage.

Additionally, the project ensures that cooperatives can realize their potential to become successful marketers and aggregators of smallholders' output by providing staff with management training.

Following the official handover, the storage facilities will be fully owned and operated by the respective FCU or PC that has helped to build them. Each of the four FCU warehouses has a storage capacity of 30,000 quintals, while each of the 40 PC warehouses can store 5,000 quintals of grain. The expenses have been covered through a cost-sharing mechanism whereby PCs contributed 10% and FCUs 30% of the costs. In addition to storage capacity, the project has also supplied unions and cooperatives with offices, guardhouses, and toilets, all of which are necessary to ensure the smooth execution of their daily activities.

National Foot and Mouth Disease Control Strategy Validated

A National Foot and Mouth Disease (FMD) Control Strategy, developed over the past year, was formally validated in August and further developed in the last quarter. FMD, a highly contagious viral disease mainly affecting cattle, is known to be widely distributed in the country. As a direct result of the disease, Ethiopia's cattle exports have been restricted to only a few countries. The strategy aims to control FMD in selected epidemiological units along the country's major cattle export corridors. The goal is to enable livestock exports to reach markets that have been difficult to access to date because of concerns about FMD. The strategy will help Ethiopia realize potential exports of 2.4 - 3.5 billion USD annually, and it remains

part of the effort to achieve food and nutrition security.

Developing a National FMD Control Strategy and disease control program has been prioritized as one of the most important interventions in the livestock-related Transformation Agenda Deliverables for the GTP II period (2015 - 2020). The disease control program requires 79 million USD and 41 million vaccine doses over the course of seven years. The ATA has submitted the strategy and implementation plans along with a business case to the Ministry of Livestock & Fisheries, which is preparing a project proposal to the Government of Ethiopia for implementation approval and funding.

Boortmalt Invests in Ethiopia

After extended discussions with the Agricultural Transformation Agency, the Ethiopian Investment Commission (EIC) and other sector actors, Boortmalt – the world's 5th largest barley malting company – signed a lease in November for a 15 hectare plot of land in the Debre Birhan Industrial Park (DBIP), on which it plans to build a barley malting factory. Boortmalt is expected to source malt barley through contract farming agreements with 40,000 – 60,000 smallholder farmers throughout Ethiopia. The investment for the plant is estimated at 60 million Euros. Once operational, the plant is expected to produce 60,000 metric tons of malt each year.

The signing is an important milestone in the development of agri-business investments in Ethiopia and marks the first major conversion of an international investment based on several business cases developed jointly by the ATA and EIC. Growing Ethiopia's agri-business sector is crucial to

achieving GTP II goals of commercializing smallholder farmers.

In addition to boosting malt supply, Boortmalt's presence in Ethiopia will play a role in import substitution, enabling the country to save hard currency and limit local beer producers' dependency on imports. It is expected that this investment will also encourage other companies to fast-track their agri-business investment interests in Ethiopia.



ATA and MoT Lead Ethiopia's Participation at International Trade Shows

The ATA and Ministry of Trade (MoT) have effectively facilitated Ethiopia's participation at the Biofach and Gulfood trade shows, held in Nuremberg, Germany from 14-18 February, and Dubai, UAE from 18-22 February, respectively. These trade shows present a tremendous opportunity for Ethiopia to showcase its exportable food products (pulses and oilseeds, spices, honey, coffee, tef, meat, and live animals) to buyers from around the world.

In addition to exhibiting samples of all commodities, bilateral discussions were held between exporters and buyers, government officials, agencies, and potential investors. A food counter serving bite-sized portions allowed visitors to sample Ethiopian cuisine (including tef), and a live coffee ceremony was ongoing throughout

the day.

Marketing and logistical activities, including booth design, scheduling, production of promotional materials, and coordinating participants' activities, were undertaken by a multi-sectoral technical committee composed of staff from ATA, MoT, and other key institutions. Ethiopia's engagement at the trade shows was financed in large part by the ATA and the MoT. Additional support was provided by the Ministry of Foreign Affairs, the Ethiopian Consulates in Frankfurt and Dubai, EPOSPEA, and USAID. Nearly 100 companies, including two Cooperative Federations and one Cooperative Union, participated in the two shows combined