

Achievements

In 2012 EFY, for example, 157 one-stop shops were launched out of which 114 are operational in the Agricultural Commercialization Cluster (ACC) woredas. The target is to reach 300 ACC woredas [as well as 11 woredas outside the ACC] across the four ATA program implementation regions – Amhara, Oromia, SNNP and Tigray – providing service to over 400,000 smallholder farmers in 2012. These centers have a total of ETB 500 million in private investment, created 599 jobs and generated sales of Birr 211 million during the year.

The ATA's role

The ATA's analytical studies revealed that the high startup and working capital required to open retail shops blocked potential owners from opening and operationalizing new outlets. To address this and make the availability of a one-stop center for all agricultural inputs and expert services a reality, the ATA worked directly with potential shop-owners, providing training and technical support as well as cost-sharing to cover AOSS staff salary and procurement of furniture and equipment for the service centers/shops.

The financial support was provided through the sub-grant model where the ATA provides start-up capital to potential shop-owning



AGRICULTURAL ONE STOP SHOP PROJECT

Background

The Agricultural One Stop Shop (AOSS) project that the Ethiopian Agricultural Transformation Agency (ATA) implements aims to provide sufficient and good quality agricultural inputs and services to smallholder farmers at the right time and with a competitive price in shops in close proximity to the farmers' homestead.

The AOSS addresses lack of access to certified and traceable agricultural inputs that smallholder farmers continuously face, and cuts on time and money they spend in search of different inputs and services. Lack of access to quality inputs has been one of the challenges of the agriculture sector impeding farmers' production and productivity. In the past, a complex sourcing process with many middlemen had been chronically driving up the cost of inputs for retailers, and ultimately smallholders.

The ATA designed the AOSS project consolidating and enhancing existing retail models to create a consistent and quick path to network scale-up, enhance private investment in input retailing and create youth employment opportunities. The project strives to create consistency across all shops with a significant pace of network expansion.

entrepreneurs to furnish and cover up to one-year salary of professional staff working in the shops. The shop owners have to construct the building complying to a uniform pre-set standardized design and specifications within a given period, stock the shops with the required variety of inputs from producers, importers and wholesalers, and be ready and equipped to provide expert advice and service to smallholder farmers.

In addition, ATA has provided training on business skill development and project management to 269 AOSS owners and their staff.



Challenges and Mitigation Measures

Lack of local producers of many agricultural inputs has been one of the challenges affecting the agricultural sector. Many of the inputs have to be imported through a limited number of importers which often are constrained by shortages of foreign currency. Hence, AOSS owners often face shortages of supplies due to the inability and/or unwillingness of importers and wholesalers to supply the required type and quantity of inputs. Encouraging investors to focus on investing in local production is quite important to address this problem and make the inputs more affordable to farmers.

The Way Forward

The ATA is providing intensive capacity building support throughout the life of the AOSSs both to shop owners and the AOSS technical staffs to equip them with the necessary skills, competency, and capacity to own and implement the project. The project capacity building includes technical (Crop and Livestock) and business management training for the shop owners, and professional skills development and project management trainings for project staffs.

ATA will facilitate consultation workshops among MoA, AOSS owners, Trade Bureaus and other government institutions, and input importers to solve access of AOSS from importers and whole sellers to ensure sustainability of the AOSS business model.

Regular spot checks of the AOSS by regulatory bodies will streamline the quality of services. Moreover, project performance evaluation will help monitor the quality and ensure continuity and suitability of the inputs and services of the AOSS outlets. Regular performance monitoring and evaluation will be carried out to ensure that the project objectives are being fulfilled and that the targets and milestones specified at the project's inception are being met.

The problem of agricultural input supply, especially agrochemicals and veterinary drug need to also be resolved through strengthening the regulatory framework.

By the end of the project timeline, AOSSs will become a major agricultural input retailing network that will be replicated by entrepreneurs across the nation without the support of ATA, and the role of the regional governments will be limited to monitoring and ensuring that the regulatory framework creates an enabling environment for the smooth running of the AOSSs.