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Over the last year the Agricultural Transformation Agency (ATA) continued to expand and enhance its efforts to improve the livelihoods of smallholder farmers, ensuring food security, and strengthening agriculture to act as an engine for overall economic growth. By the end of the current five year planning period, the sector will have undergone significant transformation, with solutions implemented to address some of its most important bottlenecks, modern processes and practices embedded across its systems, and substantial steps taken towards broad commercialization.

The ATA is also completing several initiatives that are having material impact in the lives of farmers and the sector as a whole. The Ethiopian Soil Information System (EthioSIS), which uses pioneering technology to map the soil of the entire country, is informing new fertilizer recommendations, driving productivity and income for farmers across Ethiopia. The Ethiopian Agribusiness Accelerator Platform (EAAP) creates an innovative model for business development and incubation of enterprises that are transforming the country’s apiculture value chain. These are just two of the many innovations which the ATA has introduced to Ethiopia’s agriculture sector.

While successfully concluding and handing over some of our flagship initiatives, the ATA is also leading the scaling up of the Agriculture Commercialization Clusters (ACC) Initiative at full speed. The ACC is integrating the systemic solutions developed by the ATA and other institutions with emerging business processes of farmers producing ten strategic commodities across 300 woredas. Embedding improved farming practices and facilitating access to national and international markets, the program aims to double the income of nearly 5 million farmers within five years.

These and all other interventions designed, implemented and handed over by the ATA have sustainability and inclusiveness at their core. Our initiatives are bringing about agricultural transformation while addressing climate change and providing employment and development opportunities to women and youth across Ethiopia.

Our achievements over the last nine years could not have been possible without the commitment and support of a wide range of implementing partners. Institutions from the public and private sectors, NGOs and universities which work hand in hand with the ATA to change the lives of farmers and the country. Our development partners provide us with indispensable thought partnership and resourcing. The remarkable development of the sector that we have experienced during GTP II are the outcomes of strong linkages and a shared commitment to transforming Ethiopian agriculture. We are confident that even more will be possible as we move forward.
About 80% of Ethiopia’s population of 100 million live in rural areas. Agriculture is the dominant sector in the economy, accounting for 35% of Gross Domestic Product (GDP), 65% of employment, and over 80% of the country’s export values (World Bank Report, 2019; Central Statistics Agency, 2017/18). According to the annual report of the Central Statistics Agency (CSA, 2017/18), in the 2010 EFY, over 306 million quintals of crops including cereals (87%), pulses (9.7%) and oil seeds (2.8%) were produced across 12.67 million hectares of cultivated land. The production of vegetables was 7.4 million quintals, contributing about 2% of the total crop production. In addition, Ethiopia has the largest livestock population in the African continent.

Endowed with abundant natural resources, Ethiopia has one of the most diverse agro-ecological configurations in the world. With 74.3 million hectares of arable land spread over 18 major agro-ecological zones at altitudes ranging from 148 meters to 4,620 meters above sea level, the country’s diversity makes it suitable for growing over 100 types of crops.

However, Ethiopia is not currently realizing its full agricultural potential as subsistence-oriented low-output farming is still dominant in the sector. Sub-optimal agronomic practices constrain the ability of farmers to improve yields, and over 97% of cultivation is rain-fed, making the sector highly vulnerable to challenging weather patterns. The country has also not yet realized its agro-processing capacity although there is significant room for gains in the value Ethiopia can get from its agricultural produce as processed products fetch more value than raw goods.

Addressing low productivity and value-addition issues could lead Ethiopia to reaping more from the same resources, with agriculture becoming a driver of broad economic and human development. The sector is at the center of a number of strategies designed and implemented by the Government of Ethiopia (GoE) with the goals of accelerating growth, reducing poverty, enhancing sustainability and inclusiveness, and eliminating the country’s dependence on overseas development aid. These efforts have led to significant development over the past years. In the past nine years from 2001-2010 total crop production has increased by 79% in the last decade, including an 85% increase in cereals, 52% in pulses and 30% in oil seeds. Between 2009-2010 E.C. alone, grain crop production increased by 5.4% (CSA Annual Report, 2001-2010). Productivity is also on the rise, with yield averages across 46 commodities increasing by 31% between 2000-2010 E.C.

The growth of agriculture has positively impacted Ethiopia’s Human Development Index (HDI), with the sector’s contribution to GDP currently at an all-time high of ETB 600.9 billion. According to data from the World Bank, increased income has led to the decrease of undernourishment prevalence from 37.2% in 2007 to 20.6% in 2017 and rise of literacy rate from 39.9% in 2007 to 51.7% in 2017.

As the second phase of the Growth and Transformation Plan (GTPII) nears its conclusion by the end of EFY 2012, the agricultural sector will have achieved substantial improvements in productivity, quality and competiveness. In the coming years, the agriculture sector is expected to continue supporting the country’s goal to sustain economic growth, eradicate poverty and reach middle-income status by 2017 E.C.
The Ethiopian Agricultural Transformation Agency (ATA) is the outcome of an extensive diagnostic study of Ethiopia’s agriculture sector led by the Ministry of Agriculture (MoA) and facilitated by the Bill & Melinda Gates Foundation in 2009. The study found that traditional approaches taken to change the sector were too narrow, with many projects and programs only focusing on selected aspects and leading to disconnected interventions that did not address the root causes of problems. One key finding of the study, based on the experience of other countries in East and Southeast Asia in the 1960s to 1980s, was the need to establish a dedicated organization to help catalyze and drive accelerated agricultural development.

Based on these recommendations, in December 2010 (2003 EFY) the Council of Ministers in Ethiopia passed Regulation 198/2003 establishing the Agricultural Transformation Agency (ATA) as the Secretariat to an Agricultural Transformation Council chaired by the Prime Minister. The ATA began operations in 2004 EFY as a time-bound organization that aims to fulfill its mandate within a 25-30-year lifespan. Within this timeframe, the ATA is expected to work with partners to catalyze transformation, help build capacity in critical areas, and institutionalized key interventions, bringing about sustainable change. The ATA was not created to replace existing agricultural actors and interventions, but rather to enhance the capability of key stakeholders to achieve agricultural transformation. As part of the refinement of the ATAs mandate at the beginning of GTP II, Regulation No. 380/2008, passed in March 2008 EFY, provided additional guidance on the ATAs scope of work.

The ATAs four strategic mandate areas, as articulated in these two regulations, guide the organization’s engagement with stakeholders and its activities with respect to its two primary areas of focus: the Agricultural Transformation Agenda, which is owned largely by MoA and its affiliate institutions, and is aimed at addressing the systemic bottlenecks in the agricultural sector, and the Agricultural Commercialization Cluster (ACC) program, which is owned mainly by regional governments and RBoAs, and is aimed at commercializing smallholder farmers in strategic commodities and high-potential geographies across the country.

The Agricultural Transformation Agenda was launched during GTPI as a means of prioritizing the most important interventions that could address the root causes of systemic issues in the agricultural sector. Based on the learnings from this period, the scope and orientation of the Transformation Agenda in GTPII was expanded to provide greater support to the livestock sector and broaden focus to include markets, agri-business and the private sector. In total, the Transformation Agenda encompasses 49 deliverables and 181 sub deliverables across four thematic pillars: Crop and Livestock Production & Productivity, Agribusiness & Markets, Environmental Sustainability and Inclusive Growth and Enhancing Implementation Capacity.

The ATA MISSION is to catalyze the transformation of the agriculture sector by addressing systemic constraints and developing sustainable value chains. The ATA MISSION is to catalyze the transformation of the agriculture sector by addressing systemic constraints and developing sustainable value chains.

The ATA VISION is by 2017 EFY, the ATA supports the transformation of Ethiopias smallholder farmers into commercialized actors with greater incomes, inclusiveness, resilience, and sustainability, contributing to Ethiopias achievement of middle-income country status.

These regulations articulate four strategic goals for the Agricultural Transformation Agency:

- Identify systemic constraints of agricultural development, through conducting studies, and recommend solutions in order to ensure sustainability and structural transformation.
- Support the implementation of recommended solutions.
- Support the establishment of strong links among agricultural and related institutions and projects in order to ensure the effectiveness of agricultural development activities.
- Manage and lead the implementation of specific solutions as projects.

The concept of the Agricultural Commercialization Clusters (ACC) program was also introduced at the beginning of GTP II as a mechanism to integrate Transformation Agenda interventions along value chains for specific geographies and commodities. The ACC encompasses clearly defined geographic clusters specializing in priority commodities and supports regions to maximize production and productivity, while integrating commercialization activities to move smallholder farmers from subsistence production to greater commercialization and market orientation thereby improving their livelihoods.
As part of the ATA’s mandate to identify systemic bottlenecks in agricultural development and recommend solutions, a total of 70 analytical studies were conducted in 2011 EFY. Multiple teams were involved in the development of these studies, including Analytics, and Evaluation & Learning. The studies conducted by ATA covered policy, market analysis, organizational effectiveness and project design, planning and implementation. Examples of major studies undertaken include:

Livestock and fisheries sector development project analytics case
The Livestock and Fisheries Sector Development project aims to increase productivity and commercialization of producers and processors in selected value chains. Over 2011 EFY, the ATA conducted studies on commodity prioritization in 58 project woredas of 6 regions (Amhara, Oromia, SNNPR, Tigray, Benishangul Gumuz and Gambella). Livestock data was collected, analyzed and livestock commodity were prioritized, for the establishment of woreda production clusters. The study identified 54 livestock marketing units and 31 processing units, and an end-to-end value chain map was developed for four livestock commodities at national and regional levels.

Agricultural sector investment prioritization analytics case
Ethiopia aims for agriculture to be a key contributor to economic growth. For the sector to leap to that stage and significantly impact and boost the development of other areas of activity, significant focus and investment will be required on specific and critical areas with the potential to bring about catalytic impact. At the request of the Ministry of Agriculture, the ATA developed an Agriculture Investment Prioritization document, identifying a shortlist of critical investment areas, their expected outcomes and a detailed, six-year investment operational plan. The study aims to help mobilize funds, to monitor and evaluate progress for the sector and the country towards economic development.

Food & beverages processing and auxiliary industry strategy
Despite recent growth, the agro-food processing industry is still far from mature in Ethiopia, and the Government sees the untapped and lucrative sector as a catalyst to structural transformation and employment creation opportunities to the country’s rapidly growing youth population. To support the industry’s development, the ATA, together with the Ethiopian Investment Commission, has conducted a study on its major bottlenecks. Results showed that the lack of a strong supporting ecosystem such as a food grade packaging industry and cold chain infrastructure, limited institutional capacity to coordinate efforts to remove growth constraints, and multiple actors with diverse priorities and thinly spread resources were leading to fragmented results in attracting investment in food & beverages manufacturing. A diagnostic of high-level bottlenecks identified suitable policies, regulations and incentives to support the development of the industry. A value chain analysis identified Ethiopia’s opportunities and competitive advantages pointing to strategic value chains to focus on. Finally, a strategy to engage and attract investors and implementation plans for all recommendations were developed for the relevant government and industry organizations.
Enabling partners to help drive the sector’s transformation is one of the pivotal ways through which the ATA delivers on its mission. The Implementation Support vertical focuses on program and project management and problem-solving support, capacity building and technical support to implementing partners and an evaluation and learning component. Key functions within this aspect of the ATA’s work include:

**ATA Delivery Unit (DU) at MoA** is a team strategically placed within the Ministry of Agriculture to provide planning, technical and tracking support to state ministers and directorates working on deliverables and sub-deliverables of the Agricultural Transformation Agenda, owned by the Ministry. The Delivery Unit helps coordinate annual planning, including annual and quarterly targets, budgets, risks and mitigations for all the MoA’s sub-deliverables.

Through the strong guidance of the MoA leadership and the support of the Delivery Unit, 99% of the Transformation Agenda Deliverables (TAD)’s targets were embedded in the 2011 plans of TAD-owning organizations. Over 2011 EFY, the performance of the TADs was tracked by the DU and regularly reviewed by the leadership of the Ministry of Agriculture, and 85% of Transformation Agenda sub-deliverables supported by the Delivery Unit were on track or completed by the end of the fiscal year. The Delivery Unit also conducted training and capacity building sessions, including on the Transformation Agenda to implementers of TADs and on DU working modality.

**Evaluation and Learning** is another area of focus of the Implementation Support vertical. In 2011, 18 Evaluation and Learning studies were successfully conducted, enhancing efficiency and enabling the scaling up of projects. They included baseline studies on the Ethiopian Agribusiness Accelerator Platform (EAAP) and the Integrated Apiculture Value Chain project, midterm evaluations on the Input Voucher System (IVS) and Cooperative Based Seed Production, and final evaluation studies of the Cooperative Capacity Building and Tef Improvement projects. The completed studies were handed over to partners to guide scaling up efforts and inform the design of similar initiatives in the future.

The ATA also works to increase production and productivity, enhance resilience and adaptation to climate change, and benefit women and youth as **Crosscutting Initiatives** embedded across its interventions. In 2011, 12 projects mainstreamed crosscutting issues and benefited ~800,000 women-farmers, of which 344,970 were trained in financial literacy and 327,616 received better access to inputs. In addition, Climate Smart Agriculture (CSA) technologies were introduced to 2,031 farmers, 103 Development Agents (DAs) and 146 agricultural experts and the distribution of 13,000 quintals of pulse seeds that are short-maturing, drought- and pest-resistant was facilitated to target farmers.
The ATA also works to transform the sector by creating linkages between stakeholders and coordinating activities among partner institutions. While the Ministry of Agriculture is responsible for this role across the entire agriculture sector, the ATA focuses these mandated efforts in two specific areas: the Transformation Agenda, and the Agricultural Commercialization Cluster program.

Drawing from the experience of other countries in successful agricultural development, the Agricultural Transformation Agenda focuses on strategic pillars to strengthen agricultural systems. A range of stakeholders are involved in the Agenda, ensuring effectiveness, broad ownership and appropriate governance. They include, among others, the Agricultural Transformation Council, which takes leadership on the Transformation Agenda and oversee its progress; Parliament, who provides support on design and implementation; public-sector agriculture organizations, who own and implement deliverables and interventions; non-government partners (NGOs, private sector, etc.), who engage in interventions, provide feedback and support; and development partners, providing strategic input, international best practices and funding support.

The ATA coordinates the efforts led by the range of stakeholders, supports prioritization and planning of deliverables and sub-deliverables, provides implementation support to partners executing interventions, tracks and report progress of deliverables to senior policy makers.

The Agricultural Commercialization Clusters (ACC) program focuses on interventions that improve crop productivity while reducing degradation, improving access to markets, increasing agro-processing and value-added activities, creating employment opportunities and improving coordination of implementation efforts. Extensive stakeholder consultation, socialization and validation have been key features of the design and planning process of the ACC to date. This continues through the governance structures of the National Steering Committee at Federal level and Regional Transformation Councils at regional levels, as well as Value Chain Alliances (VCAs) established for each prioritized commodity in each cluster.

The ATA has dedicated resources acting as the secretariat for each governance forum, connecting local implementers, governments, partners and the Federal ACC team. Value Chain Alliances (VCAs) are multi-stakeholder platforms established to discuss and align on critical issues for the development of value chains in the ACC at a cluster level. They provide the opportunity for local value-chain actors to take clear ownership and accountability of agreed actions and monitor their progress accordingly.
One of the ATA’s four strategic goals mandated by its regulation is the direct implementation of projects applying solutions to the agriculture sector’s bottlenecks. During 2011 EFY, the ATA led the implementation of 23 projects, 14 of which within the Production & Productivity vertical and 9 in the Agribusiness & Markets vertical. Additionally, the Agricultural Commercialization Cluster program serves as a platform for the integration of many projects and interventions implemented by the ATA and other partners.

**OUR PROJECTS**

- 10,743 direct jobs created
- 2,213 micro, small and medium enterprises and cooperatives supported
- 6.4 Million smallholder farmers accessed improved technologies
- 800,000+ women-farmers benefited
In 2011 EFY the Production & Productivity vertical focused on five thematic areas: increasing access to agricultural inputs (seed, fertilizer and agro-chemicals), household irrigation, soil health and fertility, enhancing the Ethiopian agriculture research system and livestock.

Crosscutting initiatives that address environment sustainability, youth employment and gender equality were included in the planning and implementation of interventions. Mainstreaming was particularly effective in the Cooperative Based Seed Production, Direct Seed Marketing, Agricultural One Stop Shops and Service Centers, Integrated Shallow Groundwater Irrigation Development and Apiculture Value Chain Development. Besides the performance summaries of these projects indicated in the table, some of the key projects’ achievements are highlighted below.

Momina Kao is a farmer in Kofale Kebele of West Arsi Zone in Oromia Region. She raises her family of eight children working on her 4-hectare farmland, where she cultivates wheat and malt barley.

A devoted mother and hardworking farmer, Momina used to face difficult productivity challenges in the past. Short supply of improved seeds and agrochemicals, and lacking knowledge and experience in good agronomical practices were obstacles for her production. When an Agricultural One Stop Shop (OSS) opened in her woreda, it brought all the inputs she needed for improved farming right to her doorstep. Inputs she couldn’t access in the past due to distance, time and affordability were now within easy reach. In a single visit to the OSS, she can now buy improved seeds, agrochemicals and fertilizers, and also enjoy technical advice on a number of farming issues. The OSS boosted her productivity by providing quality inputs at a reasonable price and in one place.

Encouraged by the positive changes in farming practices in her area, Momina joined a Farmer Production Cluster (FPC) to collectively cultivate with neighboring farmers and enjoy the implementation of the full agricultural package. “I benefit from the full package option, and through the FPC, I am also learning good agronomic practices through access to extension services and experience-sharing with farmers in my cluster,” she reflects.

Momina is now farming full of positive energy. She is confident that at this pace, she will soon earn enough to engage in larger-scale farming with a strong market linkage. She happily talks about the encouraging results that are motivating her to do more and better: “my yield doubled, and because the produce is high quality, I am able to sell it for a higher price than before”. She smiles and adds, “with the right support and with God’s help, I will do even better next season.”
Promoting Sustainable and Efficient Irrigation Development

The dependence of Ethiopian agriculture on rain and the variability of rainfall hampers the production and productivity of millions of smallholder farmers. The Integrated Shallow Ground Water Irrigation Development (ISWID) project was developed to offer a viable alternative to Ethiopia’s erratic rainfall patterns and stabilize production, improve quality of produce, enable farmers to produce multiple times annually and allow diversification into high-value crops.

To promote the use of shallow ground water, in 2011 EFY the project concluded the mapping of water resources covering an area of ~168,000 km² across regions in Ethiopia. Irrigation facilitated by ISGWID has benefited 34,100 farmers, and high-value crop production and marketing created 363 jobs.

The introduction of energy-efficient and water-saving technologies is underway, and 18 cost-effective solar pumps will be tested in the coming year. The implementation of crop-selection and cropping-calendar tools with broad engagement of regional and zonal stakeholders is also being conducted by the project.

Increasing Access to Agricultural Inputs

Access to quality inputs has been one of the major bottlenecks in Ethiopian agriculture, and to address it the ATA developed the Agricultural One Stop Shops and Service Centers (A OSS). The project aims to improve smallholder farmer’s productivity, food security and incomes through establishing a network of agricultural one-stop input supply and service centers. The OSS project aims to create 200 one-stop input shops and centers in the Agricultural Commercialization Cluster (ACC) woredas in Amhara, Oromia, Tigray and SNNP.

During 2011 EFY, familiarization workshops were conducted with federal and regional stakeholders in all four regions. The ATA oriented 53 selected entrepreneurs in 43 woredas in project implementation, led cost-sharing alignments for centers’ contracts and signed memorandums of understanding between the project and each center-owner. Each of the 53 entrepreneurs has started the construction of an OSS, with more than 90% of constructions having been finalized.

This project will fully operationalize agriculture one-stop centers in 157 ACC woredas in 2012 EFY, and work to increase sales in newly established centers. The project aims to deliver high-quality agricultural inputs and advisory services to over 300,000 smallholder farmers, train over 100,000 on improved agricultural technologies and create nearly 500 new jobs.
Soil Fertility Information Mapping

The Ethiopian Soil Information System (EthioSIS) is the first initiative of its kind in Africa, employing remote sensing satellite technology and other state-of-the-art techniques for soil surveying. It aims to map the country’s soil and compile in-depth soil fertility information, to guide fertilizer policies and recommendations, and drive significantly higher crop yields.

In 2011 EFY, EthioSIS collected over ~80,000 soil samples from 874 woredas. Soil fertility status and fertilizer recommendation atlases were completed for the Benishangul-Gumuz and Gambella regions, and 285 woredas and towns in the Oromia region. In previous years atlases were completed for the other regions of the country and with the maps created this year, all Ethiopian regions now have soil fertility maps created. Trainings were also conducted on geo-statistics and interpretation of soil spectral blueprints to Soil Resource Information and Mapping Directorate (SRIMD) teams, enabling them to conduct research independently. New, improved natural resource information for 100% of Ethiopia’s total land was published.

In 2012 EFY, the National Soil Information System will be developed and fully functionalized with the development of comprehensive digital soil fertility and fertilizer recommendations at a national level.
In 2011, the Agribusiness & Markets vertical focused on four thematic areas: improving smallholder farmers’ access to financial services, collecting and disseminating high-quality agricultural market information, improving the capability of agriculture enterprises, and developing domestic and international markets. Mainstreaming of crosscutting issues including climate change, women and youth inclusion was particularly effective in the Input Voucher System, 8028 Farmer Hotline (IVR/SMS), Ethiopian Agribusiness Acceleration Platform, and the National Market Information System.

For years, farming was difficult for Kess Alemayehu Mussie as he struggled with low productivity due to low yielding wheat varieties, delayed access to fertilizers, lack of proper agricultural information, and poor market linkage. Despite these challenges, Kess Alemayehu worked long and hard to make a living on his 1.25 ha of land and provide for his family. “I used to stay awake at night wondering what I can do to change my life as well as provide the best for my six children,” recalls Kess Alemayehu, who lives in Degolima Kebele of Debre Elias Woreda in East Gojjam Zone of Amhara Region. Just a few years back, Kess Alemayehu never looked at farming as a business. But today he believes, given the government’s focus on agriculture, that he can overcome these challenges and change his life.

The first measure Kess Alemayehu took was to increase his farm size by renting additional hectares of land; he rented 4 ha other farmers, making ready a total of 5.25 ha for planting. Witnessing the unique approaches of the Agricultural Commercialization Cluster (ACC) initiative, he registered at the ACC’s Accelerated Full Package project (currently known as the Farmers Production Cluster) to adopt market-oriented agriculture through the agricultural extension system and started applying technologies such as a tractor for ploughing. Through the clusters, he gained access to the full package of agricultural inputs – including improved seed, fertilizers and agro-chemicals – through the input voucher system (IVS). He also had timely access to technical support and advice on agronomic best practices covering issues ranging from land preparation and planting to specific questions on his field through the 8028 farmers’ hotline Voice Response / Short Message Service (IVR/SMS), of which he has become an avid user. Guided by the advice he received through the phone service, he engaged in good agronomic practices and used harvesting technologies, which helped boost his productivity of bread wheat from 40 q per ha to 45 q per ha, with a total yield of 200 quintals of bread wheat worth of Birr 331,280 in 2010/2011 cropping season.

Spurred by his yield increase and the potential to further boost production and productivity, he partnered with a friend and bought a tractor for Birr 2,080,000.00 with a 20% down payment and 80% bank guarantee from the Development Bank of Ethiopia. “This investment will help me provide ploughing services to the nearby farmers at a fair price in addition to ploughing my own farmland,” says Kess Alemayehu with a big smile. Today, he has more hopes and aspirations for his six children, and he can sleep better at night knowing that their future is more secure.
IMPROVING CREDIT ACCESS FOR RURAL COMMUNITIES

In response to the difficulties that smallholder farmers face in accessing credit for agricultural inputs, the Input Voucher System (IVS) engages local microfinance institutions (MFIs) or Rural Saving and Credit Cooperatives (RuSaCCos) to qualify farmers for loans and issue cash or credit vouchers that can be used to redeem inputs at nearby cooperative stores.

During the 2011 EFY 5.14 million smallholder farmers utilized the Input Voucher Sales (IVS) paper-based system to purchase 8.62 million quintals of fertilizer, seed and chemicals worth ETB 10.85 billion.

The E-Voucher system was developed as an upgrade to the paper-based Input Voucher System (IVS). It was designed to simplify the recording, accessing and tracking of data for both the supply and demand of inputs, as well as the payment of loans. In the 2011 EFY the E-Voucher system recorded 404,000 transactions by 309,000 farmers. Combined, the E-Voucher and the paper-based IVS provided 5.14 million smallholder farmers with access to input worth ETB 10 billion.

COLLECTING AND DISSEMINATING HIGH-QUALITY MARKET INFORMATION FOR FARMERS

Ethiopia has a number of semi- or fully-automated agricultural market information systems at federal and regional levels. However, the existing systems often suffer from poor data quality, incompleteness, inaccuracy and lack of timeliness. The ATA and the Ministry of Trade & Industry developed a National Market Information System (NMIS) to collect, process and disseminate timely, accurate and relevant market information on agricultural commodities for farmers. The system’s primary purpose is to help smallholder farmers and other market actors make informed decisions related to where, when, and through which channels to sell and buy agricultural commodities. The system also serves as a channel for information on agricultural policies and guidelines.

In 2011 EFY, price and supply information for Wheat, Tef, Maize, Haricot Bean and Sesame were disseminated in three languages (Amharic, Afan Oromo and Tigrigna) across the country via Interactive Voice Response (IVR), providing farmers with access to better market data. Web-based and email information distribution have been also initiated. Additionally, the ATA supported 67 Federal and regional implementing bodies (Regional Bureaus of Trade, Regional Bureaus of Agriculture, Regional Bureaus of Cooperative Agencies) to enhance their capability to effectively and efficiently collect weekly market information, to improve the data entered into the NMIS database.
IMPROVING THE CAPABILITY OF AGRICULTURAL ENTERPRISES

Essential to make value chains competitive, commercial agricultural enterprises are largely missing in Ethiopia. Well-designed and well-financed agribusiness incubators and accelerators have shown the ability to fill such gaps in other countries, and, based on these learnings, the ATA established the Ethiopian Agribusiness Accelerator Platform (EAAP) to build a sustainable supply chain for partners and create a market-driven business-building model for new enterprises.

Through its innovative business development model, the EAAP distributed ETB 5.9 M of seed capital to five honey and beeswax MSMEs, supported two honey and beeswax MSMEs secure ETB 34 M in working capital from the Commercial Bank of Ethiopia and the Cooperative Bank of Oromia and secured machinery-lease financing worth ETB 8.3 M from the Development Bank of Ethiopia. The Platform developed an input financing scheme and delivered beekeeping inputs to ~200 beekeepers.

The EAAP has also begun to implement contract farming schemes to link 6,000 beekeepers with enterprises, provide access to improved inputs worth 20 million ETB for 1,800 beekeepers through credit, and facilitate the export of 200 MT of quality honey processed by enterprises in the platform.
### AGRICULTURAL COMMERCIALIZATION CLUSTERS

The Agricultural Commercialization Clusters (ACC) program is a market-driven value chain development initiative aimed at improving the livelihoods of smallholder farmers through an inclusive and environmentally sustainable approach. A five-year program of the Government of Ethiopia coordinated by the ATA, the ACC focuses on 10 priority commodities geographically clustered and integrated, which began full scale implementation mid-2011 EFY after successful piloting in the previous years. Currently implemented in four regions—Amhara, Oromia, SNNP and Tigray, the Initiative aims to double the income of nearly 5 million smallholder farmers in five years.

To achieve that goal, the program provides access to improved agricultural practices that increase productivity, agro-processing and value-addition mechanisms, domestic and international markets, while creating off-farm employment opportunities. It also serves as a commodity-specific and geographical platform for the on-the-ground implementation of several projects led by the ATA and other partner institutions.

The success of the ACC will not only improve the lives and livelihoods of smallholder farmers by enabling them to transition to commercial farming, but will also help ensure food self-sufficiency in Ethiopia, improve nutrition, and contribute to the nation’s rapid economic growth by ensuring the supply of the needed raw materials for agro-processing and value-addition activities.

| Priority commodities | 10 | 300 woredas | 60 interventions identified across the crop value chain | 2.7 million hectare area of land planted | 594,450 quintals of seed distributed | 4.7 million quintals of fertilizer distributed | 90,381,767 quintals of production targeted |

### FARMER PRODUCTION CLUSTERS

The sub-set of the ACC program, the Agricultural Full Package Scale-up (AFPS) was introduced in 2010 E.C as a set of farmer-level focused interventions, aiming at scaling up the adoption of full-package technology which will eventually result in establishing farmers owned agricultural enterprises. In 2011 E.C., the project was broadened to include both full-package uptake and commercialization as drivers of farmer income, and renamed Farmer Production Clusters (FPC).

The FPC project clusters farmers together for faster diffusion of research recommendations, which improve farming practices and facilitated access to input finance by leveraging scale, which increases marketable surplus. It also makes modern technology, including machinery, more affordable, fosters bargaining power, and enables stronger market linkages as the cluster is able to serve large buyers, enhancing profitability through enhanced commercialization.

The five-year plan for the Farmer Production Clusters project was completed with each region in 2011, including detailed, yearly plans. Crops-specific packages for five priority crops were developed and distributed to experts, development agents (DAs) and farmers, along with farmers’ registration and data collection formats and cluster onboarding manuals. For the 2011 planting season, 19,589 farmers’ clusters were initiated and 837,878 farmers were registered in the scheme. Detailed performance in each of the four regions are presented hereunder.
The ACC Initiative in Amhara region focused on 81 woredas producing six priority commodities. In 2011 E.C, farmers in these ACC woredas sold 324,308.16 quintals of produces on contractual and direct delivery basis with a value of nearly ETB 310 million.

The ATA Amhara Regional Office conducted 26 Value Chain Alliance Forums (VCAFs) on sesame, maize, bread wheat, tef, malt barley, horticulture and apiculture. Technical backstopping and field supervision were conducted in 21 rounds. Technical consultations including in land preparation, application of fertilizers, insect-pest and weed-management techniques, harvesting, threshing and post management were conducted during field supervisions, engaging zonal, woreda and kebele experts. Technology package trainings were conducted to 6,439 DAs, and 631 zone and woreda experts on sesame, maize, wheat, malt barley and tef technology packages, aiming at increasing productivity. Besides, a total of 575,627 farmers were trained on crop technology package.

The region is creating employment opportunities for the youth in the production and distribution of horticulture value chain inputs; demonstrating improved, low-cost storage and packaging to strengthen capacity of wholesalers and aggregators on post-harvest handling; establishing horticulture commodity-based farmers production clusters; and establishing roadside market sheds.
With six priority commodities across 125 woredas, the ACC Initiative in Oromia rolled out full-package technology to over 1.3 million smallholder farmers, providing expertise, training and support in land preparation, planting, input utilization, harvesting, post-harvest handling, storage and market linkages. In 2011, farmers sold 2,440,182 quintals of produces on contractual and direct delivery basis, with a value of nearly ETB 3 billion.

The ATA Oromia Regional Office convened different governance platforms as well as coordination meetings, including 22 Value Chain Alliance (VCA) meetings to coordinate the efforts of actors across entire value chains. The Regional Office also carried out 30 joint technical backstopping and supervision visits, nine technical consultation forums and five regional field days. It also provided full-package supplementary training to 6,297 ACC-woreda Development Agents (DAs). Two regional transformation council meetings were also conducted during this period which led to better linkage and coordination outcomes for the ATA and the sector.

Following the initial success of the Farmer Production Cluster and other ATA interventions, the regional bureau of agriculture engaged in wide scale up of these interventions and approaches to non-ACC woredas. For instance, the cluster-based avocado production intervention model was widely accepted by farmers and government bodies, and as a result the regional government is now taking initiatives to scale this intervention.
In SNNPR, the ACC Initiative focuses on four priority commodities across 66 woredas. In 2011 EFY, a total of 58,684 quintals of improved seeds were distributed, and farmers cultivating 105,828 ha of land sold 107,644 quintals of produce on a contractual basis for ETB 118 million.

Supplemental trainings were conducted for 3,222 DAs and 397 zone and woreda experts on sesame, maize, wheat and tef technology packages, aiming at increasing productivity. The ATA also trained zonal and woreda agronomists on agriculture data quality and reporting, and identification of major challenges, to inform decision-making and mitigate risks.

In collaboration with the various stakeholders, the ATA’s SNNP Regional Office also conducted 19 Value Chain Alliance (VCA) meetings and visits to assess the performance of the wheat, haricot bean and horticulture clusters. Six regional and zonal field days were conducted, along with technical backstopping field supervisions in all clusters.
The ACC Initiative in Tigray Region encompasses 27 woredas with five priority commodities. In 2011 EFY farmers sold 68,336 quintals of produce on contractual and direct delivery basis, with a value of ETB 126 million.

A total of 17 Value Chain Alliance meetings were carried out engaging participants from cooperatives, input suppliers, agro-processors, government partners and farmers, along with 14 trainings with regional working groups on wheat, tef and sesame full packages, covering planting, harvesting and threshing operations, as well as Farmer Production Cluster socialization and overall intervention.

To align commodity-specific efforts across the region, 17 Value Chain Alliance (VCA) meetings where held, along with 14 technical backstopping and supervisory visits in wheat, tef and sesame.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Woredas</th>
<th>Farmers</th>
<th>Hectares</th>
<th>Target Production (q)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>13</td>
<td>264,038</td>
<td>115,728</td>
<td>2,888,608</td>
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<tr>
<td>Tef</td>
<td>7</td>
<td>649,663</td>
<td>35,682</td>
<td>130,773</td>
</tr>
<tr>
<td>Sesame</td>
<td>4</td>
<td>85,311</td>
<td>312,100</td>
<td>1,243,315</td>
</tr>
</tbody>
</table>
Building on the strong results of the past year, the ATA is on track in 2012 E.C. to achieve nearly all of its targets set for the GTPII period. The agency will continue to support the Ministry of Agriculture and other partners to deliver on the Transformation Agenda, and the ACC will be implemented in full scale across target regions, with all interventions strengthening their contribution to addressing the crosscutting issues of sustainability and inclusivity.

As we conclude GTP II, 12 of the ATA’s projects will be completed or handed over to their long-term owners, institutionalizing activities and ensuring multiple partners across the sector serve as drivers of agricultural transformation. As the capability of partner institutions is strengthened and they take ownership over projects, the ATA aims to reinforce its role as a systems integrator, building linkages and coordinating efforts across the sector.

In 2012 E.C., the Agricultural Commercialization Clusters (ACC) Initiative will also move from its pilot phase to becoming fully operational. During this first year of scale up, the ACC Initiative will work with over one million farmers consolidating production in over 40,000 Farmer Production Clusters (FPCs). The ATA has also begun to test the use of drones and satellite technology to model crop yields and to capture imagery for crop marketing. Finally, a key component of the ACC Initiative will be to develop and roll-out market-oriented, climate smart and gender-sensitive soil health and fertility extension packages.

As we start planning for the next five-year government development plan beginning in 2013 E.C., the ATA remains fully focused on delivering strong results and impact, while also developing innovative ways to bring about transformation. We remain committed to working alongside our partners to enable Ethiopia’s smallholder farmers to become fully commercialized economic actors, with greater incomes, contributing to Ethiopia’s development and achievement of middle-income country status.
The ATA would like to thank all of its partners, across the public sector, development community, donors, NGOs, civil society, as well as in the private sector, for their continued dedication to transforming Ethiopia’s agriculture. All of the areas of progress outlined in this Annual Report are the result of successful collaborations and the commitment of many different institutions across the sector.

Lastly, the ATA would like to acknowledge the millions of Ethiopian smallholder farmers who work tirelessly to feed the nation. These farmers are not passive beneficiaries of our work but critical stakeholders and partners who must be engaged as equals and primary economic actors in the transformation of Ethiopia’s agriculture sector and the economy as a whole.