

QUARTERLY REPORT APRIL-JUNE 2015

SUMMARY

The Agro-business-Induced Economic Growth (Agro-BIG) Programme is an Agricultural Development programme using the Value Chain Development Approach as a strategy to strengthen selected agricultural value chains in Amhara National Regional State (ANRS), more specifically in Mecha and Fogera Woredas.

This report covers the period from April to June 2015 (the second quarter of year three). However, results are presented cumulatively, covering the progress in the first bi-annual period of the implementation year 2015.

Excluding the executive summary, the report is organized into five sections. Following this summary and introduction section, programme accomplishments have been discussed by component and by activity in the first section. The second section focuses on programme management and outlines financial accomplishments of the programme. This section also describes the major M&E activities performed at all levels. Updates on the constraints and opportunities are bullet pointed in the third section while fourth section draws conclusions and recommendations. The budget follow-up, report from the technical advisers' services and work plan follow-up are annexed in the last section.

Major achievements during the reporting period

Improved quality production

- Farmer's knowledge of good agronomic practices, such as use and application of inputs, including fertilizers and seeds, plant spacing, application of irrigation water, harvesting techniques, etc. has increased. It was witnessed by Efruit and some private traders that the quality of onion in Fogera is improving, though a lot remains.
- Ware potato producers introduced in Koga irrigation command through availing improved potato seeds from Guna seed potato producers cooperative have shown encouraging results. Initially, farmers were reluctant to receive potato seeds due to price and skepticism. However, those farmers engaged in ware potato production benefited from better quality produce and price (raised from 420 birr to 620-800 birr/Qt). Farmers have shown some more interest to access improved potato varieties.

Agrochemical service provision

- Agrochemical sprayers, water pump maintenance and manual well drilling groups are operating and generating some income. During the reporting period, about 20 water pumps have been maintained by a trained individual in Fogera. Linkage has been created with Ambassel trading house to supply spare parts for the maintenance of pumps. These groups have started mobilizing savings (for instance, Ambomesk mobilized birr 30,000; Ennguti and Amarit groups birr 25,000 each). They have now created some linkages with dealers in Merawi and Bahir Dar. These groups have started delivering services based on farmers' demands.

Seed multiplication and marketing

- The majority of farmers engaged in seed multiplication proved to meet minimum requirement set by the quarantine. About 40 quintal of onion seed has been produced in Fogera and is ready for packaging. Assuming the current price for a kilo of onion seed is birr 600, the total value would be Birr 2.4 million. Likewise, in Mecha onion seed production is estimated to be 65 Qt. This figure however is an expert guess and the actual is expected to be lower than the estimated. The germination rate and quality of onion seed has improved as already formally certified by seed laboratories. In Fogera, the average is 88% while in Mecha 78%. The Jemma integrated agriculture project has also produced 25 Qt of onion seeds certified by the seed laboratory. Effort is being exerted to facilitate market linkages with AISCO, Etfruit and Koga Union.

Creating market linkages

- Irrigation Cooperatives are in a position to sell their onion bulbs directly to Etfruit and consumer cooperatives (e.g. Ras Dashen in Gondar) and private traders through using standard weighing scales.
- There is a growing interest and commitment by production cooperative to sell directly through consumer cooperatives which is a good sign of ownership and trust.
- Through concerted efforts to create market linkages with traders, Etfruit and consumer cooperatives, more than 6, 781 quintals of onion bulbs worth of Birr 5,085,000 (641 quintals by Etfruit and 6,140 quintals by private traders) have been sold. In Mecha, Etfruit has procured 155.4 Qt of onion through the contract arrangement made with Koga Union.
- Some competition among buyers has been popping up and farmers sold their produce per prevailing market price in a more respected manner. The upper hand by illegal brokers in onion marketing has been minimized.
- As a result of market linkages some good practices have been observed such as: selling through cooperatives, stakeholders coordination, 20 illegal brokers become legalized, price stabilized for 2-3 months at 6-8 birr/kg; farmers awareness created to communicate with WoTT to link with traders and other buyers before they harvest; quality of onion has improved.

Grant and Loan Funds

- Implementation of the 86 awarded projects from the first call for proposals is well on the way. 53 grants have been already completed and construction activities are going on.
- The second call for new proposals for 2015 received an enthusiastic response and a total of 260 concept note proposals were received for the three grant funds. Review of the proposals is going on and additional grant projects will be awarded in the second half of 2015.
- ACSI has issued the first two loans from the Loan Fund for trade finance and wholesale lending.
- Preparation of training material and methodology for gender balanced family financial literacy training and a feasibility study for community warehouse receipt system for rice have been completed.

