



# Improving Productivity & Market Success of Ethiopian Farmers

**Summary Report  
Expert Consultation Meeting on Input  
Output Marketing**

**March 31-April 01, 2005**



Canadian International  
Development Agency

Agence canadienne de  
développement international

**ILRI**  
INTERNATIONAL  
LIVESTOCK RESEARCH  
INSTITUTE



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Federal Democratic Republic of Ethiopia  
MINISTRY OF AGRICULTURE AND  
RURAL DEVELOPMENT

## **1 Background**

A major objective of the IPMS project is to identify and introduce/test/monitor/analyze and learn lessons from institutional innovations for a market-oriented development in the Pilot Learning Sites. Particular emphasis will be given to institutional innovations for input/service and output marketing for priority crop and livestock commodities. Following the GoE strategy, these institutional innovations will be based on increased involvement of farmers, community based organizations and the private sector.

The IPMS project will conduct regular expert consultation meetings where practitioners in various areas of interest share their experiences, knowledge and best practices. The project plans to use lessons learned in these forums to initiate and monitor the programs in the Pilot Learning Sites.

The first of these expert consultation meetings was aimed at sharing knowledge on input and output marketing innovations as well as methods and approaches used for the different activities within the overall strategy for research and development activities on institutional innovations for input/output marketing. The meeting was held on March 31<sup>st</sup> and April 1<sup>st</sup> at the ILRI campus with a select group of experts from national and international partners, and had the following proposed objectives:

### **2 Objectives of first expert consultation meeting**

- Agree on a strategy for research and development activities on institutional innovations for input/output marketing in the IPMS project
- Share knowledge on input/output marketing innovations
- Share methodologies for assessment and diagnosis/ design studies on institutional innovations
- Share methodologies for introduction, monitoring and evaluation on institutional innovations
- Agree on follow up meetings

The workshop program and list of participants is attached. Presentations (Power Point) given during the workshop are posted on the project website: [www.ipms-ethiopia.org](http://www.ipms-ethiopia.org) in the section documents and publications.

## **3 Summary findings and recommendations**

### **3.1 IPMS project and research and development strategy**

Based on the overall IPMS presentation, issues were raised in relation to gender, especially since the project team has few female members. It was explained that the project takes the issue of gender seriously, but that it has

proved difficult to recruit female team members especially for “field” positions. The project has however employed a (female) gender consultant to develop a gender strategy. Gender equity will be an integral part of such strategy, especially in capacity building activities. A female candidate for the position of innovation specialist has been selected and will hopefully be on board by July 1<sup>st</sup>. The project has also reserved funds for recruiting a local gender specialist.

The use of the project credit funds was also raised. It was explained that funds will be channeled through existing credit institutions for innovative technology and institutional innovations. As suggested by one of the participants this may include risk funds (50/50 financing) to establish small scale agro businesses.

Clarification was provided on the project’s governing, management and advisory structure. The advisory and learning committee as well as the expert consultation groups will also involve the IARCs and will provide the necessary advisory services. The project will furthermore be assisted by an international panel of experts.

The MoARD explained the importance of the project and the involvement of the IARCs in terms of bringing new knowledge for the development of market oriented agriculture in Ethiopia.

Throughout the meeting, issues were raised on the project research and development strategy. Most related to a clarification of the strategy used so far, including the criteria for the selection of the priority commodities, the process of identifying the potential interventions for the commodities, the need for flexibility in the choice of commodities vis a vis changing market demands, and the role of women in these commodities.

It was explained that the cash income expected from the commodity was the main criteria for the selection of the crop or livestock commodity. Most of the commodities selected are grown widely in the PLS and are therefore agronomically and financially feasible; others are emerging and require further investigation. Some commodities were selected since they are of specific importance to female farmers. The commodities and potential interventions were selected by farmers and institutional partners during the initial Woreda level PRA studies. The results of this initial PRA will be verified at village level (by the MoARD and project staff) and will be complemented with focused technology, and input output market studies. To avoid risk and to deal with fluctuating markets, several crop and livestock commodities were identified for a PLS. To deal with fluctuating market demands for commodities, the project’s aim is to develop an institutional support system, centered on the Farmer Training Centres (FTCs), which is able to respond to a dynamic market situation.

It was understood by the experts that IPMS, through its Pilot Learning Sites (PLS), offers a unique opportunity to test and learn from institutional innovations for input/output marketing. It was emphasized that the project

should therefore use rapid assessment methods to identify potential innovations for this year.

### IPMS Input/Output Marketing Research and Development Strategy

The proposed strategy that the project would follow in input/output marketing research and development strategy was presented and discussed. The strategy was classified into first phase of inventory and design; and a subsequent phase of introduction of innovations, testing and learning. Ideally, the second set of activities (implementation/testing and learning) will follow the first set of activities (inventory, diagnosis and design). However the group agreed that since we live in a world which requires quick answers, the IPMS project will therefore also initiate/strengthen some “best bet” innovations based on a preliminary diagnosis and design of innovations in the PLS.

The details of the strategy are given below.

#### Inventory, diagnostic/design activities

- Document already existing institutional and organizational arrangements (including regulatory environment) in the project Pilot learning Sites (PLS) for input/service supply and output marketing. This documentation has been initiated during the initial PRA studies in the Pilot learning Sites (PLS) and will be further refined during the project implementation phase.
- Conduct in depth studies on already existing indigenous or promoted institutional innovations for input/service supply and output marketing in PLSs. This activity is still to commence
- Identify and document already existing institutional innovations for input supply/services and output marketing outside of the PLSs either nationally or internationally. This activity will be an integral part of the project’s knowledge management component.
- Conduct diagnostic studies in the PLS aimed at designing institutional input/service and output marketing innovations – some of the knowledge gained in the previous activities may be used in the design of the innovations.

#### Institutional innovations introduction/testing and learning activities

- With the help of partners, the project will strengthen already on-going innovations and/or introduce new institutional innovations in the PLS.
- These innovations will be monitored, analyzed and lessons learned will be shared with the stakeholders as well as the experts and policy makers in this field.

- Analysis of the innovations will take place within and across PLS and particular attention will be paid to impact on gender, HIV/AIDS and environment impact

### **3.2 Institutional and organizational framework input output marketing**

The strategy document on input/output marketing developed by the MoARD (marketing and input supply sector) is still under development. It was noted that the latest version includes some of the comments received from IFPRI on finance and the involvement of the private sector.

Time required for implementing the program is not yet determined. Financing of the program will be by the GoE and donors, who have expressed an interest. (It was reported during the meeting that IFAD has set aside USD \$ 40 million). IPMS cannot possibly include all these strategies for testing in its program, it can however contribute and test some of the strategies in the PLSs.

The government's strategy of strengthening cooperatives was discussed. It was stressed that a two pronged approach should be used in which the private sector and cooperatives both play a role in input and output marketing.

It was also noted that the market-oriented strategy should not be rushed, without adequate planning. Examples from the PLS sites and elsewhere indicate that failures can easily occur and innovation may not take place (CIAT provided example), as a result of the marketing strategy.

The role of the FTCs in implementing a market oriented strategy was reemphasized and this is in line with the government's and IPMS' strategy, for the simple reason that they will become operational in 15,000 peasant associations in the coming years. The IPMS project will put emphasis on developing operational processes/models through a learning process at the level of the FTCs and the Woreda. The project will also try to influence the curriculum of Technical and Vocational Education Training (TVET) Colleges to enhance the skills of the (45,000) DAs who will be employed in the FTCs.

Several issues were raised with regard to the role and functions of the Ethiopian Seed Enterprise (ESE). It was clarified that ESE is not a regulatory/certifying body. It is mainly there to fill the gaps in the supply of improved seeds. Although there has been a shift in strategy in recent years, including seed contract farming with private farmers, the supply of improved seeds is still insufficient to meet demand. Private sector involvement is still very limited, including production of hybrid seed (no clear explanation). Farmer involvement in seed production is also limited, amongst other because of limitations in the present pricing system (a premium above the normal grain price at harvesting time).

In relation to (grain) marketing, it was stressed that the various stakeholders need to be organized and linked and that some self control (including

licensing) may be institutionalized through such arrangements. Such forums may also be used to exchange information.

The issue of certification was also raised as an important element for the improvement of the (export) market potential of Ethiopian products.

### **3.3 Knowledge management**

Based on the presentations made, issues were raised with regard to the content of the knowledge management system, especially on its role towards providing market information. It was clarified that the IPMS itself would not set up a market information system. Rather it would link the MoARD and PLS with sources of information existing elsewhere.

Useful comments were received for linking the knowledge management system with other on-going initiatives in this field by ASARECA and IFPRI. CIAT has also developed a software that is being used in 14 African countries to exchange information.

Discussions were also held on the institutionalization of the project's knowledge management component. It was stressed that it should be clearly linked to the government's own efforts in the field of knowledge management, especially its present efforts for increasing access to telecommunication in the rural areas and the establishment of WoredaNet. It was stressed that besides IT-based knowledge management the project will also use other mechanisms to capture and share information between the different stakeholders.

### **3.4 Innovations and proposals**

The chickpea input/output marketing innovations proposed by ICISAT were discussed for Ada'a PLS. The present market "demands" large sized Kabuli types. Two of the larger types are released by EARO and reproduced by ESE. However these types still are not optimal in size. ICRISAT does have bigger sized Kabuli varieties. They need to be tested and released through the national programs. A major problem encountered in the multiplication of chickpeas is the low seed yields and the inadequate skills of the farmers to produce them. It was commented that the proposed input/output marketing studies appear long-term in nature which may not lead to any short-term interventions.

The fruit marketing study proposed for Dale Woreda by ICRAF is of the rapid appraisal type and therefore suited for the IPMS project. The study should however take into consideration the potential supply of fruits from other areas with access to the Addis market. The ecological map prepared by ICRAF may be useful for this purpose. The supply of inputs (especially improved seedlings) should be incorporated in the studies

Two presentations were made on fodder seed supply system. CIAT's experience in Asia shows that commercialization of fodder seeds can take place through a system of "champion farmers" who are specialists in seed

production. No such development has taken place in Ethiopia. Recently, ILRI, a major supplier of fodder seeds and planting material, noticed a marked increase in the demand for fodder species (including elephant grass cuttings). It was hypothesized that this linked to the recent development of commercial livestock production for meat and dairy. The IPMS project should therefore concentrate its fodder (seed) interventions in PLS with significant dairy and meat development potential. It was noted that the role of fodder trees in natural resource management should not be forgotten. Past research has identified opportunities to combine productive and resource management roles for fodder species.

The proposed studies on livestock marketing by ILRI (Theme 3) should also include the marketing of inputs. Attention need to be paid to the fact that we cannot only conduct long term studies, but also studies with rapid appraisal methods which can lead to innovations in the first year. Lessons can then be learned from this action oriented research. The studies to be undertaken will also have to be prioritized to avoid overload. Not all commodities and studies need to be tackled in year 1. Other issues to be considered in the innovations and research agenda are quality control, cross border trade and contract farming for livestock products.

Some concerns were raised about the research agenda since the project, because of its development driven nature, could end up with a rather diverse set of research and development activities from which common lessons might be difficult to draw. A good overview and prioritization of the proposed diagnostic and learning research activities in the individual PLS would help in identifying common themes. The IPMS project will prepare an overview of these studies and potential interventions to be initiated in year 1, once the interest of farmers groups in the FTCs in the selected commodities has been ascertained and the involvement of the different research partner in these studies have been finalized.

### **3.5 Methodology**

The rapid market assessment methodology and the rural agro enterprise strategy promoted by CIAT are useful methodological approaches for the IPMS project, especially since they are targeted to the service providers. The IPMS project's main service provider at the PLS level is the MoARD in particular the extension services and the cooperative promotion office. The latter is also supported by other organizations such as VOCA and Farmers Unions. All these service providers aim at building the capacity of farmers and farmer organizations. It is at this stage not clear who will be the service providers for the small scale private agro business development, since no strong service (capacity building) institution exists at the village/Woreda level. The MoARD, through the FTCs, may provide some of these services or some of the beneficiaries may have to be linked to capacity building institutions outside the PLS.

It was noted that the methodology should not necessarily be applied linearly and that some components of the methodology are not relevant or are already

taken care of. The methodology is particularly targeted to the agro business entrepreneurs (as ultimate beneficiaries); the project will however also focus its attention on the smallholder production of marketable commodities. Linking producers, micro finance and agro service business is part of the project's overall strategy. Care should be taken that agro business innovations should not only be targeted at cooperatives but also at private entrepreneurs.

#### **4 Future expert consultation meetings**

It was agreed that because of the diversity in topics it was decided to have two separate expert consultation groups in the future i.e. one on crops and one on livestock commodities. These groups would meet twice/year to discuss lessons learned from the focused studies and the introduction of innovations. Membership of these groups should include international, as well as national and regional research and development organizations and the private sector.

#### **5 After Action Review**

The objectives of the workshop were summarized as follows:

1. To update those who were not familiar with the project
2. To share different experiences and innovations in input/output marketing
3. To discuss shared and general approaches in terms of market research

Participants did have an increased understanding of the project at the end of the meeting. More could be done in terms of clarifying the intended beneficiaries of the project i.e. service providers in first instance and farmers, cooperatives and agro businesses, micro finance in second place. This may be highlighted in presentations and the project's website and brochure.

Experience sharing on innovations and methodologies was useful but can be expanded in future meetings, including experience sharing at the national level. The time need to be managed better, i.e. more time for each presentation plus discussion. It was also felt that the meeting served as a brainstorming mechanism, rather than a meeting aimed at making decisions. This was accepted since the proposal presented still need to be developed further. Also part of the participants will in fact not be involved in the implementation of the activities, but can provide advice through such brainstorming sessions.

# EXPERT CONSULTATION MEETING ON INPUT AND OUTPUT MARKETING RESEARCH AND DEVELOPMENT

March 31 – April 1, 2005  
Small Auditorium, ILRI, Addis Ababa

## PROGRAM

Thursday, March 31, 2005

8:30 – 9:00	Registration	
Chairperson: Rapporteur:		Dr. Azage Tegegne, ILRI Muluhiwot Getachew, ILRI
9:00 - 9:45	IPMS Project Background and Objectives	Dirk Hoekstra, ILRI
9:45-10:45	Research and Development Strategy for Institutional Innovations for Input/Output Marketing in IPMS	Berhanu Gebremedhin, ILRI
10:45 – 11:05	Coffee Break	
11:05 - 12:30	Seed Multiplication and Distribution in Ethiopia: The Experience of the Ethiopian Seed Enterprise	Yonas Sahlu, ESE
12:30 – 2:00	Lunch break	
Chairperson: Rapporteur:		Dr. A. Ponniah, IFPRI Muluhiwot Getachew, ILRI
2:00 – 2:20	Problems of Grain Marketing in Ethiopia	Eleni Gabre-Madhin, IFPRI
2:20 – 2:40	Agricultural Input/Output Marketing Development Strategy of the GoE	Ermias Sehai, ILRI
2:40 – 3:20	Crop Input /Output Marketing: A look from the PLSs	Berhanu Gebremedhin, ILRI
3:20 – 3:40	Coffee Break	
3:40 - 4:10	Livestock Input/Output marketing; A look from the PLSs	Azage Tegegne, ILRI
Chairperson: Rapporteur:		Dirk Hoekstra, ILRI Muluhiwot Getachew, ILRI
4:10 – 4:50	Knowledge Management for Institutional Innovations	Ermias Sehai, ILRI
4:50 – 5:20	Innovations for Input/output Marketing of Pulses and Proposed Study	Bekele Shiferaw, ICRISAT

## Friday, April 1, 2005

8:30 – 9:30 Innovations for Input/Output Marketing  
of Fruits and Proposed Study Anand Aithal, ICRAF

Chairperson: Berhanu Gebremedhin, ILRI  
Rapporteur: Muluhiwot Getachew, ILRI

9:30 – 10:30 Multiplication and Distribution Systems to  
Enhance Scaling Out of Forage Innovation  
Systems - How to Sustain it at Local Level Ralph Roothaert, ILRI/CIAT

10:30- 10:50 Coffee Break

10:50 – 11:40 Innovations in Forage Seed Multiplication  
and Distribution Jean Hanson, ILRI

11:40 – 12:30 Innovations in Livestock Marketing and  
Proposed study Mohammad Jabbar, ILRI

Chairperson: Dirk Hoekstra, ILRI  
Rapporteur: Muluhiwot Getachew, ILRI

12:30 – 1:00 Methodology for Rapid Appraisal and  
Design of Market Studies Shaun Ferris, CIAT

1:00 – 2:00 Lunch

2:00 – 2:30 Methodology for Introducing Institutional  
Innovations in Pilot Learning Sites Shaun Ferris, CIAT

Chairperson: Dirk Hoekstra, ILRI  
Rapporteur: Muluhiwot Getachew, ILRI

2:30 – 3:00 Future Expert Consultation Meetings Dirk Hoekstra, ILRI

3:00 – 3:45 After Action Review Discussion Ermias Sehai, ILRI

3:45 – 4:00 Closing Dirk Hoekstra, ILRI

**IPMS - Expert Consultation Meeting,  
List of Participants  
March 31 – April 01, 2005**

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