



Remarks for USAID – Irish AID Signing Ceremony
Ambassador Patricia Haslach
Sheraton Hotel, July 9, 2014 at 9:30 am

It gives me the greatest honor and pleasure to be here today to pledge the U.S. Government's commitment to work with the Government of the Republic of Ireland to support innovation in Ethiopia's promising dairy sector.

The U.S. Government, through USAID, has a long history of supporting the Government of Ethiopia's efforts to transform Ethiopian agriculture. We are truly honored to have the partnership of the Government of the Republic of Ireland in this important endeavor.

The Government of Ethiopia has prioritized the development of agriculture as a necessary condition for its industrialization process, aiming to reach middle-income status by the year 2025. This is clearly stipulated in the country's strategic development documents like the Agricultural Development Led Industrialization strategy, the Industrial Development Strategy, and the Growth and Transformation Plan, or GTP.

As part of the ambitious GTP, the development partners in Ethiopia have coordinated themselves to better support government efforts under the Agricultural Growth Program.

Ethiopia has the largest number of milking cows in Africa, with a huge potential for dairy development. But productivity and consumption remain low. Ethiopians currently consume 19 liters per capita of milk per year, a mere 10 percent that of Sudan and 20 percent that of Kenya.

Productivity is low because of many factors. Feed supply availability and lack of genetic improvement of native dairy cows—they produce only 1.5 liters/day vs. European cows which can produce more than 30 liters/day.

Despite the challenges, the opportunities are impressive. Assuming milk consumption in Ethiopia approaches Kenyan per capita levels by the year 2020, the market will need to supply over 10 billion liters of milk a year. This can be a major opportunity for business, job creation, economic development and affording better nutrition for Ethiopia.

Milk is an important product as it contains numerous nutrients that make a significant contribution to meeting the body's needs. According to the Food and Agriculture Organization, there are positive associations between milk consumption and growth in preschool children. Therefore, it is imperative that young Ethiopians drink plenty of milk in their growing years to reduce the nation's high wasting and stunting rates.

To take advantage of the opportunities and overcome the challenges, it is important for Ethiopia to adopt technologies and business models that work within its unique environment. Innovation, however, is difficult as it is risky and can be quite expensive.

It is for these reasons that we are kicking off the 400,000 Euro (about 10 million Birr) Ethiopia **Dairy Innovation Fund** today. This is an important donor coordination effort between the United States and Ireland to maximize development impact in Ethiopia.

The Dairy Innovation Fund will be facilitated through USAID's Ethiopia Sustainable Agribusiness Incubator activity and will assist in developing and adapting technologies and business models required to transform the dairy sector in Ethiopia.

USAID's Ethiopia Sustainable Agribusiness Incubator, which is implemented by Precise Consult, seeks to transform Ethiopian agriculture by incubating innovative new firms, targeting support to established pioneer companies, and promoting investment in the dairy, honey, and sesame value chains.

We look forward to this new collaboration with Ireland and look to continue our excellent partnership with the Federal Democratic Republic of Ethiopia. I have no doubt this effort will be a great success because of the evident enthusiasm and commitment of everyone involved and the joining of hands with the Government of Ethiopia and each other to help make Ethiopia a middle income country by the year 2025.

Thank you! Amaseganelu!