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ETHIOPIA

Commercial Farm Service Center Launch

Opening Remarks

Deputy Mission Director Jason Fraser

February 4, 2013

USAID is proud to be part of this new Commercial Farm Services Program, one of many projects we have here in Ethiopia that form part of the U.S. President's Feed the Future Initiative. I am very pleased to see this group here today working together to achieve our common goals: to provide smallholder farmers with the tools that enable them to earn a decent livelihood and contribute to the development of their country. The growth of Ethiopia's agricultural sector is a prime mover for Ethiopia's economic and social transformation.

I would like to begin today by sharing USAID's overall optimism about the future of Ethiopia's agricultural sector and our perspective on the important role of access to quality production inputs in Ethiopia's agricultural growth.

We see great potential in the future of Ethiopia's agriculture sector. Ethiopia has a comprehensive and ambitious development agenda that recognizes the critical importance of agriculture. Today, under the government's Growth and Transformation Plan (GTP), the role of agriculture is recognized as essential to achieving national goals to maintain high annual growth. This includes an ambitious, but achievable, target to maintain an average annual agricultural growth rate of over six percent.

In pursuit of the GTP, the government committed to a number of agriculture initiatives, including the Policy Investment Framework (PIF) under the African Union's Comprehensive African Agriculture Development Program (CAADP), the creation of the Agriculture Transformation

Agency, the Agriculture Growth Program, and most recently the G8 New Alliance for Food Security and Nutrition to bring private sector technology and know-how to achieve public goods.

With these commitments come ambitious objectives for Ethiopian agriculture, including annual increases of 12 percent in agribusiness investment, 10 percent in agricultural production, and five percent in the number of agro-dealers and cooperatives.

Of critical importance in the success of this ambitious development agenda is building an efficient agricultural input market. The agricultural input sector has a critical impact on the agricultural productivity of the nation as it influences farmers' access to and use of productivity enhancing high quality seeds, fertilizer, plant protection products, tools and equipment, and veterinary services and supplies.

Through the application of such quality inputs, Ethiopian farmers can achieve significantly higher productivity, contributing directly to income generation and household food security.

In order to address these challenges in accessing improved inputs and improving the effectiveness of the sector, the USAID Commercial Farm Service Program will develop a pilot network of locally-owned, private retail input supply and farm service businesses in the Oromia Region. These farm service centers will provide increased access to high quality, reasonably priced inputs, training, technical advice and output market linkages to over 30,000 smallholder farmers. At the same time, they will also serve as an innovative model for scaling up private farm supply and service networks in other regions of Ethiopia and other nations of Africa.

So, today, I am pleased to launch this innovative and exciting two-year pilot program that will be carried out by our implementing partner CNFA. It is important to learn lessons by doing, by testing what works and what does not, and thus, for the long term, ensure the sustainability of our efforts. On behalf of the U.S. Government and our USAID Ethiopia mission, we look forward to the lessons and successful outcomes of the new Commercial Farm Service Program.

Thank you very much.