



# USAID | ETHIOPIA

FROM THE AMERICAN PEOPLE

## **“First International Ethiopian Coffee Exporters Conference“**

**Dennis Weller**

**Hilton Hotel, Addis Ababa, Ethiopia**

**November 8, 2012**

It is an honor for USAID to support the Ethiopian Coffee Exporters Conference today.

As many of you know, under President Obama’s Feed-The-Future Initiative, USAID is the single largest bilateral donor to Ethiopia’s agriculture development agenda with over \$50 million of annual assistance to the sector. Development of the coffee value chain is an important part of our program and one of the key export commodities we support under Feed-The-Future.

Ethiopia, the origin of Arabica coffee, rightly boasts some of the highest quality and most diverse specialty coffees in the world. Its potential for growth and to increase the incomes of small holder farmers is tremendous. Nevertheless, the industry faces serious constraints limiting yields, farm gate prices and export earnings.

As a backbone of the Ethiopian economy, coffee is an essential commodity to the livelihood of millions of Ethiopians. Hence, I hope the exchange of information and experience sharing that takes place over the next two days will not only enable you to better understand your key opportunities and challenges, but also to help you to develop your vision for the future.

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USAID's support to Ethiopia's coffee industry is not new. Between 2006 and 2011, the USAID Agri-business and Trade Expansion Program (USAID-ATEP) - implemented a full production-to-market development program for the specialty coffee industry that provided technical assistance to more than 25,000 farmers; contributed to value-addition through certification and specialization initiatives; and supported new market linkages with international roasters. Sales for USAID-supported coffee clients nearly doubled from \$22.9 million in 2006 to \$41 million in 2011. Client coffee production yields increased 37 percent over the national average and USAID-helped to certify nearly 28,000 hectares of coffee-production area, farmed by 12,000 smallholder farmers under the Sustainable Agricultural Standard.

Today, USAID's Agricultural Growth Program-Agribusiness and Market Development (USAID AGP-AMDe) project is the flagship program under USAID's Feed-the-Future (FTF) Strategy for Ethiopia and is USAID's largest contribution to the Government of Ethiopia's (GoE) Agricultural Growth Program (AGP). AGP-AMDe is continuing our support to the coffee sector along with five other value chains. AGP-AMDe's vision for coffee is to maximize commercial returns for unique, traceable Ethiopian coffees in export markets.

AGP-AMDe is concentrating on three main areas of intervention:

1. Improve low productivity and poor quality control at the smallholder level;
2. In collaboration with the ECX and other key coffee stakeholders, simplify the current coffee standards and grading system to help ensure higher prices on export markets and traceability for importers, and;
3. Raise the industry's awareness of international market opportunities.



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To name just a few examples, we will:

- assist Jima Agricultural Research Center to conduct courses in Best Agricultural Practices for coffee extension workers and to provide irrigation;
- support the 2012 Taste of Harvest coffee competitions; and
- train ECX lab staff on grading and equipment. We were the first international donor to support establishment of the ECX.

Over the next five years, in collaboration with you and our other partners, we are striving to directly and indirectly benefit over 100,000 farmers and increase exports by several million additional dollars per year.

With this history and our continued assistance, we have high expectations for Ethiopian coffee. We have confidence that the Ethiopian Coffee Exporters Association will continue to grow and the Ethiopian coffee sector can thrive, culminating in more export volume and foreign exchange earnings, thus contributing more to the livelihoods of the coffee growers and farmer cooperatives.

Thank you.