

Press Release



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U.S. GOVERNMENT AND ETHIOPIAN COMMODITIES EXCHANGE TO STRENGTHEN COFFEE TRADING AND MARKETING

Addis Ababa, Ethiopia, January 31, 2013 – The U.S. government, through the United States Agency for International Development (USAID), signed a Memorandum of Understanding (MoU) with the Ethiopia Commodities Exchange (ECX) to collaborate on increasing the quality, traceability and marketing of coffee. Under this agreement, USAID’s Agricultural Growth Program-Agriculture Market Development Project (AGP-AMDe) will collaborate with ECX to improve the ability of sellers and buyers to track the origin of coffee through electronic coding and marking, to certify labs and coffee quality graders, to increase the number of farmers’ cooperatives, and to improve ECX warehouse efficiency. These joint efforts will improve the integrity and marketability of the coffee trading system in Ethiopia.

ECX commenced trading operation in April 2008, with contracts traded in coffee, sesame, maize, wheat, and pea beans. ECX is a market place where buyers and sellers come together to trade based on warehouse receipts, assured quality, delivery and payments. It is a national multi-commodity exchange that provides market integrity, efficiency and transparency.

The United States was among the first donors to support the ECX. USAID funded four technical advisors and supported the coffee Direct Specialty Trade (DST) program linking smallholder farmers with international buyers, supported the establishment of the Warehouse Receipt System (WRS) and provided warehouse equipment.

“We are extremely happy to see the renewal of our cooperation with the Ethiopia Commodities Exchange,” says Mr. Dennis Weller, Mission Director, USAID Ethiopia. “We believe in the ECX mission to be a structured trading platform for buyers and sellers that addresses the fundamentals of commodity transactions: quality, quantity, payment and delivery.”

“This MoU demonstrates our commitment to enable smallholder farmers to reap the benefits of their produce by enhancing their direct participation in ECX’s trading system,” said ECX CEO Anteneh Assefa. “ECX is undertaking various efforts to double the number of full member farmers’ cooperatives. This is only one of many improvements to come with the support of this partnership.”

USAID’s AGP-AMDe is a flagship project under the U.S. President’s Feed the Future (FtF) Initiative in Ethiopia and its implementation is led by ACIDI-VOCA.

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