

Press Release



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USAID Expands Farm Service Center Network

20 entrepreneurs and farmers' cooperative unions to open new farm service centers in Ethiopia's four main regions with financial support from the Feed the Future Ethiopia Commercial Farm Services Project

Addis Ababa, Ethiopia, December 21, 2016 – The U.S. Agency for International Development joined the Ethiopia Agricultural Transformation Agency, and the Ministry of Agriculture and Natural Resources today to award grants to 10 private entrepreneurs and 10 farmers' cooperative unions that will help them to establish farm service centers. Each recipient will receive a grant worth \$50,000 to establish a center in their area—seven are in Oromia, six in Amhara, four in SNNP, and three in Tigray. Together with the six farm service centers already opened with U.S. assistance in the Oromia region, this will bring the total number of centers to 26. Farm service centers are one-stop shops where smallholder farmers can get advice, receive training and purchase quality, reasonably-priced, region-appropriate seeds, fertilizers and other supplies to increase production.

“The farm service centers serve as a model for expanding farm supply and service networks in Ethiopia and other nations of Africa,” said USAID Mission Director Leslie Reed. “Based on our past success, it is easy to see how the model will improve smallholders' productivity, food security and income by nurturing the development of sustainable, private-sector driven agricultural supplies and services.”

Gizachew Sisay, project team leader, noted, “The grant award is one mechanism to encourage private investment into the agriculture sector.” He further indicated, “The fact that grantees are also expected to contribute at least 50 percent of the cost of establishing the farm service centers is a key element of effective public-private partnership in driving agricultural growth.”

The 20 new grants, totaling ETB 22 million (\$1 million), are being awarded through the Feed the Future Ethiopia Commercial Farm Services Project, which has been implemented by the Ethiopian Agricultural Transformation Agency since 2015 in collaboration with the Ministry of Agriculture and Natural Resources with technical support from Cultivating New Frontiers in Agriculture (CNFA). The three-year project provides grants and training to rural entrepreneurs, both men and women, to create Ethiopian-owned retail farm supply and service centers.

The Feed the Future Ethiopia Commercial Farm Services Project follows USAID's successful Commercial Farm Services Program, implemented by CNFA from 2012 to 2014, which established six locally-owned, private retail and farm service businesses in the Oromia Region. The existing farm service centers already serve more than 30,000 farmers, have leveraged more than \$3.2 million in new private sector investments, and created more than 50 jobs.

Feed the Future is the U.S. Government's global hunger and food security initiative. Through Feed the Future, USAID is helping vulnerable households increase economic activities and become more food secure.

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