

State Minister of Agriculture Sileshi Getahun

Opening Remarks

Livestock Market Development Project Launch

November 17, 2012

Mr. Dennis Weller, USAID Mission Director,

Heads of Regional Bureau of Agriculture,

Distinguished guests,

Ladies and gentlemen,

It is an honor and a privilege for me to give the opening address to launch the AGP-Livestock Value Chain and Market Development project. This new Livestock Market Development project is a timely and important intervention to provide a much needed input to boost the productivity and market linkages of the all-important livestock sector or Ethiopia's growth and to the benefits of all those who work in the sector.

As you know, Ethiopia has registered an average annual growth rate of 11 percent over the last eight years making it one of the fastest growing economies in sub-Saharan Africa. While the economy continues to grow, structural inefficiency and weak market linkages impede its productivity and efficiency. The over-arching objective of the Government's Growth and Transformation Plan (GTP) is to overcome these challenges and radically transform the Ethiopian economy on a path of sustainable growth and development with a target annual growth of 12 percent in GDP for five years (2010-2014). One of the means for realization of the objective is the GTP's target for increasing export earnings from live animals and meat export from \$125 million in 2009/10 to \$1 billion in 2014/15. While the Ethiopian government is firmly committed and putting all efforts to the realization of this objective, USAID's contribution of this new Livestock Value Chain and Market Development project is a timely intervention in supporting the government's endeavor and specifically, our Agricultural Growth Plan.

Ladies and gentlemen,

As we all are aware, the growth of the livestock sector is marked with opportunities as well as challenges. On the opportunities side, there is a growing demand for livestock and livestock products in-country and abroad. The prices of meat and milk are quite high these days and are expected to increase in the foreseeable future. This is driven by a general increase in demand for food and the growth in the population of the country. The growth in demand will mean profound changes in the livelihoods and household incomes of rural producers and pastoralists if the opportunities are properly harnessed. However, the challenges need to be overcome if growth in the livestock sector is to be achieved and smallholder producers and pastoralists are to take advantage of the situation. These included

weaknesses in the value chain, inefficiencies in production and productivity, market uncertainties, weak infrastructure, inadequate veterinary services and stringent requirements for accessing international markets.

In the last few years, the Ethiopian government has taken a number of steps to overcome these challenges and meet the goals and objectives of the GTP. These include activities to enhance the productivity through introduction of better breeds, improvement in veterinary services, boosting market linkages and judicious management of natural resources. In this connection, the Ministry of Agriculture is in the process of developing a livestock development strategy in collaboration with the regional agricultural bureaus. The Ministry has also been actively working through the Meat and Dairy Technology Institute to improve market linkages, building capacities in the private sector toward meeting the export targets of live animals and meat exports. What is important in this regard is the emphasis the government has placed in the partnership between the public and the private sector, upgrading and developing infrastructure, promoting and facilitating markets, and enhancing competitiveness of the livestock sector.

Distinguished guests,

Ladies and gentlemen,

The implementation of the Livestock Value Chain and Market Development project in the areas of high livestock market potential of Amhara, Oromia, SNNPR and Tigray in the next five years will, I believe, strongly assist the government's effort to boost the production and productivity of the livestock sector by improving the value chains of dairy, meat as well as hides and skins. The focus of the project in improving household income of smallholders as well as improve their nutritional status is also a noble and necessary objective that is highly appreciated by the Government of Ethiopia.

I would like to take this opportunity to reiterate that the Ministry of Agriculture is committed and ready to facilitate and support the implementation of the project. I realize the problems facing the livestock industry, which have no easy solution or blue prints. Externally, there is no doubt that the livestock industry is facing unfriendly international regulatory frameworks in the design of which developing countries like us have very little or no influence. Internally, we are faced with acute lack of resources to put the required investment in production and infrastructure.

However, with committed development partners like USAID, I am highly confident that we shall overcome the many challenges and move the livestock sector forward. Our common interest in improving the livelihoods of the rural smallholder and transforming the livestock sector would best be served by efficient implementation of the planned activities of the AGP-Livestock Market Development project.

Ladies and gentlemen,

I would like to assure those that are responsible for the implementation of the project, they can count on our support and we wish them the best of luck. Once again, I would like to extend my appreciation

and gratitude to USAID Ethiopia for launching this important initiative and I am pleased to announce that the launching workshop is open.

Thank you.