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ETHIOPIAN COMMODITY EXCHANGE (ECX)-COOPERATIVES NATIONAL FORUM

Opening Remarks
Dennis Weller, Mission Director

January 31, 2013

I am pleased to represent the US Agency for International Development (USAID) and the American people today at the *2nd Annual Ethiopian Commodity Exchange (ECX) - Cooperatives Forum*, supported by USAID's Agribusiness and Market Development Project (AMDe).

On this occasion, I would like to share with you a bit of USAID's optimism about the future of Ethiopia's agricultural sector; and our perspective on the important role of the ECX and of cooperatives and unions 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 Growth and Transformation Plan (GTP), the role of agriculture is recognized as essential to achieving the government's 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 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.

The Government of Ethiopia committed to invest 16 percent of its federal expenditures in agriculture, exceeding the CAADP target of 10 percent. USAID sees promise in the government-led, donor supported Agricultural Growth Program (AGP), the Agriculture Transformation Agency (ATA), and Ethiopia's G8 New Alliance Cooperation Framework for public-private partnerships to promote Food Security and Nutrition.

With these commitments come ambitious objectives for 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. They also contain a series of policy reforms related to seed, administrative constraints on the private sector, land use rights, and the availability of credit.

Just in the last few months we've witnessed progress. Most notably - and relevant to today's event - the ATA launched a new national strategy for the development of



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Ethiopia's agricultural cooperatives. And just last week, the Parliament passed the amended seed proclamation. This was the first commitment under the G8 New Alliance providing an opportunity to transform the seed sector.

The U.S. Government is supporting Ethiopia in achieving its objectives for Growth and Transformation through President Obama's Feed the Future Initiative. USAID is proud to be among the largest donors to the Ethiopian agriculture sector, and above all, to bring technical assistance, training, technology and financial support to Ethiopian farmers and their communities.

USAID is supporting the Government's Agriculture Growth Program through our new Agribusiness and Markets Development (AMDe) and Livestock Market Development (LMD) projects. These two projects are focused on the market development of nine commodity value chains, including: wheat, maize, coffee, sesame, honey, chickpea, meat, hides and dairy.

U.S. Government programs in support of the AGP are complemented by additional direct financial support for the ATA, the International Food Policy Research Institute's work with the Ethiopian Development Research Institute, rust resistant wheat research with the Ethiopian Institute for Agriculture Research, and an agriculture loan guarantee program with Zemen and Abyssinia Banks. Combined, these investments represent over \$200 million over five years in Ethiopian agricultural development.

To strengthen the impact of our support, USAID will expand partnerships with the ECX and cooperatives.

USAID has been supporting cooperatives for over 10 years and we believe in your tremendous potential. We support farmers' cooperative unions and primary cooperatives under the national Cooperatives Strategy through the USAID AMDe Project - implemented by ACDI / VOCA. We share the vision that cooperatives can grow to become efficient, professional organizations that operate like businesses and focus on profitability. For example, in terms of maize we are supporting several farmers' cooperative unions in transactions with the World Food Program and, as recently announced, with DuPont/Pioneer and the government to assist some 35,000 farmers to access training, high yielding maize seed and storage over the next three years.

USAID has been a partner with the ECX from its founding. Today, I am pleased to announce the continuation of this partnership with ECX through the Memorandum of Understanding that we are signing. This agreement underscores our belief that the ECX's mission to connect buyers and sellers in an efficient, reliable, and transparent market benefits smallholder farmers. As a result, we are pleased to provide ECX with assistance in the areas of warehouse management, quality coffee grading and lab certification, and the development of a coffee traceability management system. And,



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perhaps most pertinent to many of you here and today's conference, the future permanent membership of several cooperative unions in the ECX.

In closing, I wish you a successful conference. At USAID here in Ethiopia and at our headquarters in Washington, we are eager to intensify our partnership with you in the year ahead and look forward to enabling your success in transforming the agricultural sector in Ethiopia.

Thank you.