



ETHIOPIA: A STORY OF CHANGE

WAYS IN WHICH THE SYNERGOS APPROACH IS
CONTRIBUTING TOWARDS ALLEVIATING POVERTY



In Ethiopia,
4.5 million
smallholder farmers
grow barley, with
one of the lowest
yields in the world

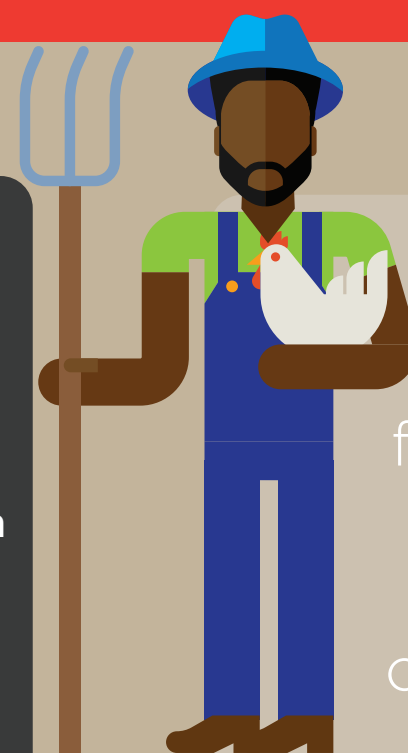
MALTING BARLEY
is a key ingredient in
beer production -
beer consumption,
and particularly
consumption of
bottled beer (which
uses barley rather
than sorghum) is
growing
dramatically



In December 2014,
Meta Abo Breweries
announced, in line with the
Ethiopian government's
stance in favour of import
substitution, that it will source
100% of all cereal raw material
needs in Ethiopia locally, in
time for its 50th Anniversary,
by the end of 2017.

Established
privatised breweries
are increasing
output and new
breweries are being
built. There is a lot
of pressure on these
to **use locally
sourced raw
materials**

**52% of all Ethiopian
Barley is grown in
Oromia.** In
consultation with
key players,
Synergos agreed to
work in Oromia and
focus on malt barley
as a priority
commodity



Like many
farmers in Ethiopia,
Gadisa Gobena
grew mostly food
crops on his farm in
Ambo, Oromia
Region, in the centre
of the country.

One senior official stated that
the alignment workshops and
training in clusters has been
critical in enabling officials to
learn how to "deal with
people, manage people and
be more efficient,"... the
training "improved our work -
the way people deal with the
service - we are servant
leaders".

Another senior official
commented "once we (MoA,
ATA and EIAR) were
together, once we
understood the roles and the
duties....now we support each
other. We wasted a lot of
time in arguing with each
other, after knowing each
other's roles we changed our
attitudes, we focus on the
work rather than arguing."

Through changes in the
system, farmers are accessing
more finance, are getting
better support from
co-operatives, are being
exposed to and
implementing innovative
approaches to fertilising and
planting and are getting
access to greater quantities
of higher quality seed. This
has resulted in increased
yield in key crops

As Synergos, we facilitated
processes in these clusters to
develop the members and build their
willingness, understanding and skills
to collaborate and build inclusive
partnerships (OUTCOME 2).

Some of the members had attended
the alignment workshops we had
previously run and had developed
the competence to play a bridging
leadership role (OUTCOME 1). They
really supported the process.



Synergos, together with
other players, facilitated a
cluster workshop
(one of 14) with key role
players to play in the
different parts of the malt
barley value chain in
Oromia - researchers,
technical experts, traders,
farmers, finance people,
manufacturers and others

The cluster workshop identified bottlenecks,
established solutions and focused on a coordinated
response through a value chain alliance (an agreement
across the players indicating roles and responsibilities)

**Through this value chain alliance we have been able
to influence systems changes ...** create market
linkages, set targets for which produce is required,
contracts set in place which give certainty as to who
requires the malt barley and which quantities - so
farmers can plan for this, co-operatives and key
government agencies can provide the required
support, banks are willing to finance this, and
manufacturers can plan around using locally grown
malt barley

**And ultimately we are seeing
improved systems outcomes....**

"The breweries go into
contract with individuals
through farmers'
co-operatives and unions.
Those contracted to Meta
Brewery receive training and
credit to access improved
quality barley seed varieties."



Gadisa Gobena attended the cluster
workshops supported by Synergos
and the Ministry. **He heard the
demand for malting barley by the
breweries and they discussed the
problems around the supply.** They
collectively established the value
chain alliance and agreed on an
action plan.



One of the key supply problems
was an ineffective seed supply
system, which resulted in
farmers re-using seed and
mixing seed from different
sources.



Technical and research assistance
was mobilised, and seed producer
co-operatives were established.

Farmers like Gobena were
trained in agronomic practices,
post harvest handling and
marketing the seeds

There are currently five breweries in the country and local production of barley meets
only around 40 per cent of their demand. With more breweries in the pipeline, and as
incomes improve among Ethiopia's 80-million-strong population, contract farming
could become a major industry in the future, officials say. "In the coming few years
existing breweries will need about 80,000 to 100,000 tonnes of malt annually,
whereas, the local supply is by far less than half of this demand," says Dr Mebratu
Meles, Ethiopia's Industry minister."

Through the malt
barley cluster in
Oromia region
buyers
(agro-industries)
were linked with
co-operative
unions
(representing
31,575 farmers)

Target
set to supply
48,900 tons
of Malt Barley in
2015.

Co-operative
unions provided
44,270 tons of
Malt Barley -
**90%
ON TARGET**

Due to the
contract
established and
supports
provided through
the cluster
approach the
**quality and
standard of malt
barley is
improved**

Would have cost
**USD
\$19 million
to import.**
SAVINGS



Gobena now sells his high quality
malting barley seeds to other
farmers, who have been
contracted, also through the value
chain alliance, to grown and supply
malting barley for the breweries

Today Gobena
produces more than
7,000 tonnes of
improved seeds of
different crops that he
sells to other farmers
in the region...*

"Farmers in our region are becoming more interested in contract farming of barley
malt for breweries," says Abebe Diriba, who heads the Agriculture Transformation
Agency in Oromia State. "The fact that the number of the few hundreds of farmers
who started working with Mata brewery of Diageo a few years ago has today reached
6,113 is a testimony that smallholder farmers in our region are becoming more
interested in contract farming."

