

Teff Value Chain Survey

A teff value chain survey was launched on October 5, 2012. Currently, the survey team is undertaking data collection with 1,200 teff producing households in commercial teff zones in Oromia and Amhara regions.



Teff is estimated to be the most valued commercial commodity chain in the country. Given the high revenues generated from teff commercialization in the country, it is important to have a good understanding of the black box that currently exists between consumers and producers. This will help to better evaluate constraints and opportunities in the commercial sector as well as the potential policy interventions. Some of the questions that will be addressed in the teff value chain study are: What is the role of the commercial sector in the value chain of teff in Ethiopia, e.g. what is the size of margins between producers and consumers? What are the roles of farm inputs, transport, wholesaling, and urban retailing in price formation in the value chain? What is the role of quality and how are quality production and commercialization assured? What are the levels of losses in the value chain? What is the role of the milling sector and how does it interact with other agents in the value chain?

New ESSP Staff

Tirusew Wegayehu is the new Office Assistant. Welcome!

Capacity Building

- A **GIS training** was given to 51 students of Adama University by Hailu Shiferaw, Helina Tilahun, and Mekamu Kedir. September 4–6, 2012.



- Prof. Sherman Robinson, Seneshaw Tamru, and Ermias Engida gave a two weeks training on **GAMS/CGE** for 41 participants. September 17–26, 2012, at Addis Ababa University.

Upcoming Events!

- A half-day seminar on “Can Social Protection Work in Africa? The impact of Ethiopia’s Productive Safety Net Programme” will be given on November 16th, 2012 by Dr. John Hoddinott at the Hilton in Addis Ababa (9:30 until 11:30).
- A training course on “Game theory and industrial organization” will be organized by Stefano Caria (Oxford University) in the 3rd week of December 2012. The participants will come from Addis Ababa University, Ethiopian Economics Association, EDRI, and the Chamber of Commerce.

Highlights of presentations in September – October, 2012

The last mile(s) in modern input distribution in Ethiopia. Bart Minten and Bethlehem Koru. EDRI Meeting Room. October 9, 2012.

- Adoption rates of modern inputs depend significantly on profitability variation over space.
- Farmers located in the most remote villages (at about 35 kms of the market town), facing implicitly higher input prices and lower output prices, use a quarter of the quantity of chemical fertilizer and improved maize seeds compared to the least remote farmers.
- Significant transaction and transportation costs limit the profitability of modern input use.

Implementing large scale food security programmes in rural Ethiopia: Insights from the Productive Safety Net Programme, Guush Berhane, Ghion Hotel, Addis Ababa. October 18–19, 2012.

- The Ethiopian experience shows that it is possible to implement large scale social protection interventions in very poor settings.
- There have been improvements in delivery, design, and administrative capacity of the structures related to the PSNP since its inception.
- However, there remains room for improvement. For example, currently beneficiaries experience often delays in their payments, and there is absence of confidence in the appeals process.

Rural–urban transformation and agglomeration linkages in Ethiopia.

Emily Schmidt. DFID Office. October 23, 2012.

- Rural–urban connectivity has increased dramatically over the last several decades.
- Without supporting investments, there is an “urbanization of poverty” and rising urban inequality.
- Urbanization and industrialization are a crucial part of development and accelerating growth.
- Given the low levels of GDP/capita, the high concentration of poverty in rural areas, and the realistic prospects for increasing agricultural productivity and production, Ethiopia should not neglect agriculture, if it desires to increase food security and reduce poverty.

Networks and manufacturing firms in Africa: Initial results from a randomized experiment. Simon Quinn. EDRI Meeting Room. October 5, 2012.

New ESSP II Publications

Berhane, G., and C. Gardebroek. **Assessing the Long-term Impact of Microcredit on Rural Poverty: Does the Timing and Length of Participation Matter?** ESSP II Working Paper 43.

Helina Tilahun and Emily Schmidt. **Spatial Analysis of Livestock Production Patterns in Ethiopia.** ESSP II Working Paper 44.

Ibrahim Worku and Kibrom Tafere. **Consumption Patterns of Livestock Products in Ethiopia: Elasticity Estimates Using HICES (2004/05) Data.** ESSP II Research Note 16.



Ethiopia Strategy Support Program II

Research Initiatives 2012:

- Agricultural Productivity: Performance and Constraints
- Determination of Food Prices
- Determinants of Adoption and Impacts of Sustainable Land/Watershed Management
- Dynamic Implications of Production Shocks and Policy on Livestock Markets and Household Welfare: A Sectoral and Economywide Analysis
- Aspirations, Risk and Household Investment Behavior
- Agricultural Growth Program (AGP) Impact Evaluation
- Accelerating Agricultural Market Transformation in Ethiopia: Processes, Potentials, and Challenges
- The Teff Value Chain
- Understanding and Improving Agricultural Extension Service Delivery in Ethiopia

Capacity Building Initiatives 2012:

- **Ethiopian Development Research Institute (EDRI)**
 - Support to EDRI SAM/CGE Analysis
 - Support to short-term policy analysis on cereal markets, inflation, and economic growth
 - Joint seminar series
- **Central Statistical Agency (CSA)**
 - Support to GIS analysis
 - Federal and regional GIS training
 - Strengthening of data dissemination through REKSS
- **Ministry of Agriculture (MoA)**
 - Support to agricultural and food security policy analysis
 - Creation of operational agricultural policy data base
 - Training on agricultural policy analysis

Policy Related Analysis

Effects of extension services on technology adoption and productivity among female and male farmers in AGP woredas by Catherine Ragasa, Guush Berhane, Fanaye Tadesse, and Alemayehu Seyoum Taffesse

- This study puts new insights into the effect of agricultural extension on production and investigates how this is different among male and female farmers, using data from the household survey undertaken by Ethiopia's Central Statistical Agency (CSA) in June–July 2011.
- Access to different channels and types of extension services is significantly different between male- and female-headed households. Female household heads and plot managers are less likely to get extension services through various channels and are less likely to access quality service (measured in terms of their reported perception of the usefulness of advice from Development Agents [DAs]) than their male counterparts.

Differences in female- and male-heads of households in extension access

Variables	Total sample	Male heads	Female heads
Development agents are helpful	0.66	0.67	0.65
DA visit (last year)	0.27	0.30	0.20
Number of DA visits (last year)	3.48	3.68	2.79
DA visit (last 5 years)	0.42	0.46	0.34
Number of DA visits (last 5 years)	6.19	6.39	5.55
Received DA advice on fertilizer	0.42	0.47	0.30
Received DA advice on planting seeds	0.42	0.48	0.29
Received DA advice on land preparation	0.41	0.46	0.29

Source: Authors' calculations using HICES 2004/05 CSA data

- Technology adoption by farm households remains low; for example, only 31 percent of households used fertilizer in the planting season prior to the survey.
- Receiving advice from DA and the perceived usefulness of DA advice are major factors that explain the likelihood of technology adoption and rate of input use.
- Although we note in absolute terms a difference between females and males in productivity, this difference disappears when we control for several household-, plot-, and village-level characteristics.
- This implies that female household heads and plot managers are as equally productive as their male counterparts if they would face the same level of inputs and access to improved technologies and services.
- Plot-level productivity differences are statistically explained by the intensity of use of traditional as well as modern inputs. Also, the perceived quality of the extension service—and not the visit or advice by DA as such—appears to be significant for crop productivity.
- The results show that closing the gender gap in agricultural productivity in Ethiopia will require programs to reach both female and male farmers with quality extension services as well as to close the persistent women bias in access to productive resources and inputs.

IFPRI – ETHIOPIA STRATEGY SUPPORT PROGRAM II

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