

Impact Evaluation of the Agricultural Growth Program



The AGP is a five-year program with the primary objective “to increase agricultural productivity and market access for key crop and livestock products in targeted woredas with increased participation of women and youth”. ESSP II has worked closely with CSA to implement the baseline survey for this program. The survey will be conducted during the month of July 2011.

AGP will: 1) focus on agricultural productivity growth; 2) target 83 woredas in Amhara, Oromiya, SNNP, and Tigray – woredas deemed to possess high agricultural growth potential that can be realized with appropriate interventions; 3) identify key commodities based on a variety of considerations – from current share in production and potential marketability to possibilities for spatial spill-over effects; and 4) emphasize greater participation of women and young people.

Staff News:

Prof. David Stifel joined ESSP II as a Visiting Research Fellow.

W/o Ethiopia Abate joined ESSP II/EDRI as Communication and Administrative Assistant.

IFPRI – ESSP II and EDRI Small Research Grants:

EDRI and ESSP II launched the second round ‘2011/12’ of the small research grant scheme as of November 2011 to post graduate students in Economics, Agricultural Economics, and related fields at Ethiopian Public Universities.

This grant scheme aims to contribute towards reducing the financial constraints to conducting economic policy-relevant empirical research in the context of graduate programs in Ethiopian public universities. The Grants are provided on a competitive basis, depending on the quality of the proposal and the relevance of the topic to the development problems of the country.

For further information, please visit <http://www.edri.org.et/news.php>

Upcoming Events!

- IFPRI/ESSP II in collaboration with EEA and EDRI will organize three plenary sessions (on the GTP plan, Economic Behavior, and Agricultural Performance) and three parallel sessions (on Poverty Analysis, Performance of Livestock Markets, and Successful Farmers) at the **9th International Conference on Ethiopian Economy** to be held at the Ethiopian Economic Association (EEA) **July 21-23, 2011**.

Online registration: <http://www.eeacon.org/event%20registration.php>

- Change of date! CGE Analysis training workshop, to be conducted by Dr. Dario Debowicz (IFPRI) and Prof. David Stifel (Lafayette College), moved to the last two weeks of **October 2011**.

Highlights of Presentations in May – June 2011:

The spatial integration of livestock market in Ethiopia – Preliminary results: Seneshaw Tamru and Fantu Nisrane. IFPRI Meeting Room. May 27, 2011.

- Local livestock prices seem to co-move with international livestock, meat, and dairy prices.
- Sheep markets are well integrated within Addis Ababa – the speed of adjustment is fast.
- Goat markets are weakly integrated with slow adjustment, especially markets in central parts of Oromiya; the transaction costs are fairly high.
- Cock markets are well integrated with relatively high transaction costs.
- Most oxen and bull markets are well integrated
- Overall, analysis suggests few untapped arbitrage opportunities in these livestock markets and markets seem to function rather well.

Beyond 'death do us part': the long-term implications of divorce perceptions on women's well-being and child schooling in rural Ethiopia: Neha Kumar. IFPRI Meeting Room. June 08, 2011.

- When women perceive that all assets (land/livestock/house) must be given to the husband in case of a divorce they are more likely to report that their households have less than adequate expenditure on housing and health care, they are less likely to report that their life is determined by their own actions, and they are less likely to protect their personal interests.
- Children in households where women perceive that all assets must be given to the husband fall behind their cohort in the number of years of completed schooling and this is especially true for girls in these households.
- The implementation of a gender sensitive reform led to changes in perceptions of asset division upon divorce, but, these changes have no significant association with food security, poverty, or wellbeing among women or schooling outcomes among children.

The theory and empirics of Africa's economic transformation: How far do they take us? Derek Headey. IFPRI Meeting Room. May 06, 2011.

- All African countries show agriculture or mining dependency, “premature” transformation into services, and very limited transformation towards manufacturing. Within agriculture there is very limited transformation – largely a result of poor policies and lack of government commitment.
- Analysis of the rural-urban transformation in Africa suggests there is significant urbanization, even without growth, but underdevelopment of secondary cities.
- Rural access to cities and to markets and services is very poor, despite some improvements.
- Africa is just starting its demographic transition: from now until 2050 the ratio of working age to non-working age individuals will steadily rise. This means Africa needs labor-intensive growth, not only to reduce poverty, but also to prevent conflicts.

Capacity Building:

Dr. Guush Berhane gave an intensive training on **Methodological, analytical data analysis and research report writing on ‘Status and prospects of small scale and micro-enterprises in Tigray’** at the University of Axum for six research teams. May 23-27, 2011.

Publications:

Rashid, Shahidur and Asfaw Negassa. 2011. **Policies and Performance of Ethiopian Cereal Markets**. ESSP II Working Paper 21.

Rashid, Shahidur. 2011. **Intercommodity Price Transmission and Food Price Policies. An Analysis of Ethiopian Cereal Markets**. ESSP II Working Paper 22.

Berhane, Guush, Zelekawork Paulos, Kibrom Tafere, and Seneshaw Tamiru. 2011. **Food grain Consumption and Calorie Intake Patterns in Ethiopia**. ESSP II Working Paper 23.

Sarah Coll-Black, Daniel O. Gilligan, John Hoddinott, Neha Kumar, Alemayehu Seyoum Taffesse, and William Wiseman. 2011. **Targeting Food Security Interventions When “Everyone is Poor”: The Case of Ethiopia’s Productive Safety Net Programme**. ESSP Working Paper 24.

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Ethiopia Strategy Support Program II

Research Initiatives 2011:

- Determinants of agricultural productivity
 - Analysis of farm-level data from Central Statistical Agency (CSA)
 - Analysis of agricultural input use, gender issues, household response to high food prices
- Evaluation of watershed management investments
- Determinants of market prices of cereals
- Operational multi-market model
- Book on Ethiopian food and agricultural policy
- Consumption, Savings and Investment Behaviors of Successful Farmers
- Rural-urban transformation
 - Rural-urban migration survey
 - CGE analysis of structural changes in the economy
 - Implications of infrastructure investments

Capacity Building Initiatives 2011:

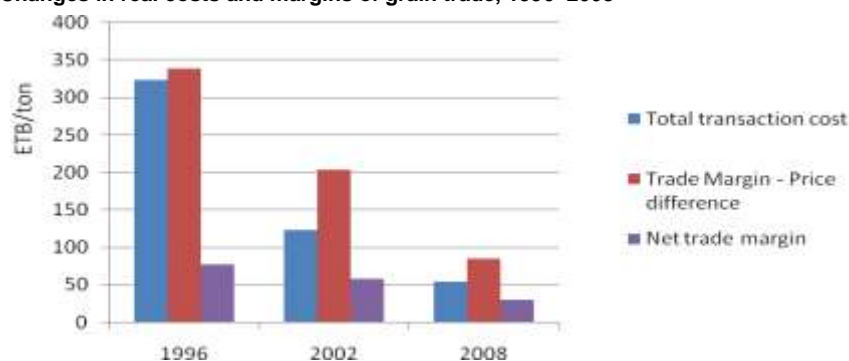
- **Ethiopian Development Research Institute (EDRI)**
 - Support to EDRI SAM/CGE Analysis
 - Support to short-term policy analysis on cereal markets, inflation, and economic growth
 - Joint seminar series
 - International PhD (5) training (planned)
- **Central Statistical Agency (CSA)**
 - Support to GIS analysis
 - Maintain operational geo-database
 - Federal and regional GIS training
 - Strengthen 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 market analysis

Policy Related Analysis:

Policies and Performance of Ethiopian Cereal Markets by Shahidur Rashid (IFPRI) and Asfaw Negassa (CIMMYT). ESSP II Working Paper 21.

- Post-Derg policy reforms and investments have triggered increased competition in the country's cereal markets that resulted in major changes in the structure of Ethiopian cereal markets, including an increase in the number of all types of market actors, the emergence of cooperatives in both production and marketing, and growth of the grain processing sector.
- The government has gradually withdrawn from the market by limiting the roles and responsibilities of the Ethiopian Grain Trade Enterprise (EGTE). However, the EGTE has continued ad hoc market interventions in recent years (mainly in 2003 and 2007-2008). In order to avoid market actors' loss of policy credibility, it is important to make EGTE interventions are rule-based, transparent, and predictable.
- Market performance has greatly improved over time, particularly in terms of increased market integration and dramatically lower costs and margins of trade. However, price variability has remained high.
- Overall, there is substantial evidence that cereal markets in Ethiopia have matured over the years. Continued progress is not automatic, however, and will depend substantially on government policy and investments in market infrastructure.

Changes in real costs and margins of grain trade, 1996–2008



Source: Taken from the traders' survey results from 1996 survey (Gabre-Madhin 2001); IFPRI-ILRI (2002) and IFPRI-EDRI (2008). Notes: All nominal variables are deflated by consumer price index for respective years to convert them in real terms. Net trade margin is defined as the difference between sale price and the sum of purchase price and out of pocket transaction costs.

Intercommodity Price Transmission and Food Price Policies - An Analysis of Ethiopian Cereal Markets

by Shahidur Rashid (IFPRI). ESSP II Working Paper 22.

- The study analyzes intercommodity price relationships to examine whether targeting of one of the cereals can achieve broader price stabilization objectives. Three key results emerge from this study: 1) Markets in the major grain-producing regions are integrated; 2) maize is the most important of the three cereals in the common long-run memory, followed by wheat and then teff; and 3) while shocks to both maize and wheat have significant long-run impacts on each other, these do not transmit to teff markets.
- Setting credible price bands for maize and wheat in Ethiopia can stabilize cereal prices in a more cost-effective way. Under the current policy environment, this would mean institutionalizing the policies that are being implemented on ad hoc and temporary basis.
- The results also have implications for food aid-supported programs. Historical data suggest that food aid inflow to the country has not been consistent with domestic production with important impacts on local price formation and variability. This suggests that the government and its development partners should coordinate to strengthen crop forecasting and food aid planning to avoid adverse effects on cereal markets.

IFPRI – ETHIOPIA STRATEGY SUPPORT PROGRAM

www.ifpri.org/themes/essp/essp.htm

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