INITIATIVE ON
Rethinking
Food Markets

CGIAR

Initiative on Rethinking Food Markets

Stakeholder workshop
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Smart Sesame Marketing in Ethiopia

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WP 1 – Global Value Chains – sesame and oilseeds value chains in Ethiopia

Justification – why sesame?

General

- Potential of agricultural development was studied recently for 44 SSA countries and **Ethiopia was one of the three countries – along with Nigeria and Tanzania** – that comprise half of SSA's agricultural potential (Goedde et al., 2019).

Specific

- An empirical analysis that considered all value chains to be equally important for the economy prioritized
  - **oilseeds,**
  - fruits/tree crops,
  - vegetables,
  - tobacco/cotton/tea and cattle value chains in Ethiopia (Benfica and Thurlow, 2017).

Justification – why sesame?

- Sesame is the leading oil crop and the second most exported agricultural commodity in Ethiopia.
- Ethiopia makes around 2.64% of the global sesame production (FAOSTAT, 2020).
- Sesame contributes about 2.3% of grain production with a total production of 20,200 tons in the 2018/2019 production season.
- Main growing areas are the lowlands of northwest Ethiopia (80% of production) (CSA, 2020).

Justification – why sesame?

- Key constraints of the sesame value chain
  - Weather variability,
  - Low adoption of technologies,
  - Poor finance and infrastructure,
  - High production and transaction/marketing costs,
  - Low crop diversity in the sesame growing areas - resulted in high disease infestation,
  - There is no sesame seed system – applies to all oil crops, and
  - Heavy government intervention

The innovation

- **Components**
  - Digital information services (DIS) [market information and weather data]
  - Collective action (CA) – training and supporting sesame growers to collectively act voluntarily.
- **The value chain**
  - Sesame – Ethiopia's primary oil crop and second most exported agricultural commodity.
  - The sesame value chain is characterized by **low productivity, fragmentation, high transaction cost,** and **limited information** (FAO, 2015).
- **Objective**
  - Measuring the effect of DIS and CA on sesame productivity, the average price received by the producers, and farm income using a randomized control trial.

The Experiment

- **Location**
  - Central Gondar: Tach Armachiho & Tsegede
  - West Gondar: Metema & Mirab Armachiho
- **Villages and households**
  - 26 villages (520 households): Market information
  - 26 villages (520 households): Market information + collective action
  - 26 villages (520 households): Control
- **Stakeholder engagement**
  - Actively working with Gondar ARC, District Offices of Agriculture, and DAs.

Expected outcomes

- Collective action
  - Reduction in transaction cost.
  - Increase in average output price per unit.
- Digital information services
  - Increase in sesame yield.
  - Increase in cash income from crop production.
- We are to combine weather and market information.
  - Hence, pronounced level of impact is envisaged.

Partnership

- ICARDA and IFPRI identified and bundled the components of the innovation.
- Gondar ARC, District Offices of Agriculture, and DAs at the village level facilitated the implementation of the experiment.
- Bureaus of Agriculture, Cooperative Promotion Agencies, ECX, Regional ARIs, and Ethio-Telecom are expected to play a key role in scaling up.

Challenges and opportunities

- Challenge
  - limited mobility to and from the project site because of the ongoing civil war.
- Opportunity
  - the growing availability of telecommunication services.

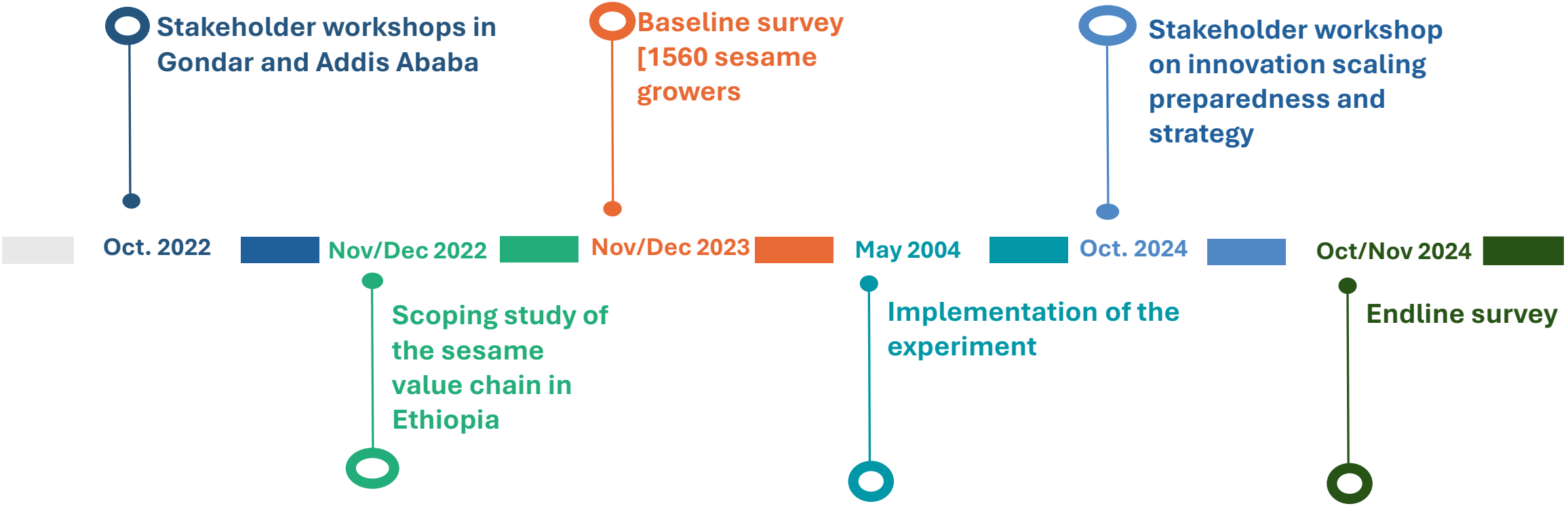
Factors/conditions for adopting innovations

- Convincing scientific evidence on the impact of DIS and CA at farm household level.
- Reliability of data collected and information available for farmers.
- Flexibility of the cooperative registration laws – to allow voluntary and small groups of collective action.
- Affordability of telecommunication services.

Intervention process

- **Stakeholder engagement**
  - Actively working with Gondar ARC, District Offices of Agriculture, and DAs.

Timeline



Thank you!