

Sesame Alert

#01 May 2020

Sesame Alerts identify current challenges and outline urgent action needed in the Ethiopian sesame sector, based on surveys and focus group discussions with various stakeholders

Ethiopia

Photo: Anteneh Mekuria

Alert 1

Reduced area of sesame cultivation affects future export revenues

Alert 2

Availability of labour and welfare of labourers are of major concern

Alert 3

Mobility restrictions hamper input delivery and extension services

Alert 4

Increased production costs result in a more acute need for credit

Alert 1

Reduced area of sesame cultivation affects future export revenues

What is the impact?

- Farmers, both smallholders and investors, are dissatisfied with the profitability of sesame production in the previous season, because of higher production costs and lower market prices
- Stakeholders fear that the pandemic will amplify this trend, resulting in increases in transport and labour costs, disruptions of trade channels, decline in international demand, and a fall in prices
- A significant reduction in the area planted with sesame, and in the quantity and quality harvested, is anticipated (survey: 96% and 95%¹)
- Investor farmers expect labour shortages (survey: 98%); they are already facing 30-50 % higher labour costs than in 2019
- Agricultural professionals and authorities advise farmers to grow food crops (e.g. sorghum and pulses)
- Operations of spot markets and the Ethiopian Commodity Exchange (ECX), including their prices, are expected to be negatively affected (survey: 90%)
- Sesame export revenues and foreign currency earnings are expected to decline (survey: 70%)

What actions are required?

- Monitor land preparation activities, as they are the first indication of the area of cultivation expected
- Develop a consolidated overview of planted areas and crops, both of smallholder farmers and investor farmers
- Prioritize support to smallholder farmers for sesame production as they are based on family labour
- Estimate labour demand for investor farmers
- Support investor farmers with the optimal production plan that is possible under COVID-19 conditions, taking into account security of the investor zone, availability of machinery, and availability of permanent or full-season labourers
- Promote and facilitate the use of cultivators and harvesters to compensate labour shortages
- Promote proactive action for increasing the availability of machinery and rental services for peak field activities

1] Survey percentages refer to the percentage of respondents who indicated the statement concerned.

What stakeholders are involved?

- Regional, zonal and woreda administrations
- Ministry of Agriculture (MoA) through Bureaus of Agriculture (BoAs) at regional, zonal and woreda level
- Amhara Regional Agricultural Research Institute (ARARI) and Tigray Agricultural Research Institute (TARI)
- Investor farmers and their organizations
- Cooperative unions and cooperatives.

Who takes initiative, who drives action?

- BoAs will take the initiative
 - ARARI and TARI will provide support for driving action
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Mechanization training conducted by HuARC and Mammay group machinery importer during COVID-19 (Photo: Hagos Tadesse)



Organic sesame processing by Tsehay union (Photo: Flo Dirks)



Sesame purchase, cleaning and bagging at local spot markets in Amhara and Tigray (Photo: Flo Dirks)

Alert 2

Availability of labour and welfare of labourers are of major concern

What is the impact?

- Mobility restrictions and higher transport costs result in labour shortages in the sesame production zones (survey: 98%)
- Mandatory quarantine periods for labourers returning from Sudan, or entering the sesame zone in Tigray region, affect the availability of labour
- The incidence of confirmed cases of COVID-19 spreads fear among labourers working in sesame zones
- Many young people (students and migrants), as well as previously displaced farmers, returned to their rural homes in the sesame zones, providing an alternative source of labour
- Food and nutrition insecurity push poor labourers into migrating to the sesame zones (survey: 90%)
- The steep increase in transportation costs discourages labourers from undertaking the journey to the sesame zones
- Current working and living conditions of labourers are poor and not in line with prevailing labour laws and regulations; they are not COVID-19 proof in relation to food, hygiene, dormitories and transportation arrangements
- Wages are expected to increase because of labour shortages and higher food and transport costs, leading to a decrease in demand for labour
- Credit shortages of producers combined with increased wages jeopardize the payment of wages
- The COVID-19 crisis is anticipated to severely impact the income and food expenditures of labourers, who are among the most marginal social classes (survey: 100%)

What actions are required?

- Raise levels of awareness on the COVID-19 pandemic and enforce required social distancing and hygiene regulations
- Explain and enforce prevailing labour laws and regulations that apply to investor farmers (appropriate shelter, clean water, food, mini-clinics), and urge them to take appropriate measures to secure the safety of labourers, especially in relation to social distancing (housing, transport to and from the fields)
- Make a timely and precise estimation of the demand for labour based on the cultivated area and crops concerned, and develop locally specific plans to match labour demand and supply
- Reduce labour movements by hiring permanent labourers (Salug), using alternative resident labour sources and promoting seasonal labourers to work at the same farm
- Take appropriate measures to support labourers returning from Sudan
- Start an early campaign to mobilize labourers for the main weeding and harvesting periods, wherever this is possible and in a responsible way, making use of established patterns of movement and informal communication mechanisms
- Coordinate labour movements during the peak time of the season and facilitate safe transportation services for labourers, at reasonable costs, e.g. limiting the number of passengers and ensuring masks are worn in buses
- Facilitate access to credit and fair interest rates to support farmers, with timely payments of labour wages

What stakeholders are involved?

- Command posts at different levels for COVID-19 crisis management
- Labour and Social Affairs Offices and Roads and Transport Offices of Regional Governments
- Administration and law enforcement institutions
- Public health offices at federal and regional levels
- Investor farmers
- Employee and employers' associations
- Development programmes, e.g. Sesame Business Network (SBN) support programme, which is part of the Bilateral Ethiopian Netherlands Effort for Food, Income and Trade (BENEFIT) Partnership
- Agricultural Transformation Agency (ATA)

Who takes initiative, who drives action?

- Command posts for COVID-19 crisis management and the Labour and Social Affairs Offices can establish a special task forces at different levels for the coordination of labour movements
 - Investor farmers should take initiative and drive action for their farms
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Labourers waiting for employers (Photo: Ted Schrader)



Labour transport in the sesame zone (Photo: Ted Schrader)



Sesame purchase, cleaning and bagging at local spot markets in Amhara and Tigray (Photo: Flo Dirks)

Alert 3

Mobility restrictions hamper input delivery and extension services

What is the impact?

- Mobility restrictions and reduced communication negatively impact the coordinated and timely delivery of seed and farm inputs to producers
- As an alternative to labour, the demand for weed control chemicals for sorghum increases
- Normal extension services, such as training sessions for newly recruited development agents (DAs), mobilization meetings, and training and demonstration sessions for farmers, are not possible as a result of mobility restrictions (survey: 97%)
- Instead of group mobilization, DAs move from farm to farm to provide advisory services, reducing the reach of extension services
- Some farmers are not willing to meet DAs because they are concerned about the risk of COVID-19 infection

What actions are required?

- Facilitate and ensure adherence to social distancing and hygiene measures among those involved in the distribution of inputs and the provision of extension services
- Increase availability of quality seed and other inputs
- Disseminate weather forecast information through mobile phones to a broad audience, so as to optimize field operations and reduce risks and costs
- Disseminate sector information through mobile phones using the free 8028 farmer hotline²
- Use radio and television programmes to share information and provide extension messages
- Distribute existing training materials and posters on good agricultural practices, and on pest and disease management, to kebeles and cooperatives
- Restart training and demonstration activities for small groups of farmers, when this is possible according to official guidelines
- Consider using the cluster approach to organize farmers at field level, so as to reduce the movement and increase the efficiency of DAs
- Consider engaging university students to support extension and advisory services that make use of information and communication technologies

What stakeholders are involved?

- BoAs at regional, zonal and woreda level
- Communication Offices at different levels
- TARI and ARARI
- Health and Education Offices at different levels
- SBN support programme and ATA

Who takes initiative, who drives action?

- BoAs, TARI and ARARI
- Woreda administrations and communication offices

² ATA developed a hotline that farmers can call to ask for information and advice on agricultural production.

Alert 4

Increased production costs result in a more acute need for credit

What is the impact?

- Production costs are rapidly increasing as a result of the COVID-19 crisis (survey: 95%)
- Access to input credit is negatively impacted in terms of quantity and cost (survey: 90%)
- Financial institutions predict a high risk of defaulting farmer-borrowers
- More restricted access to finance and more demanding loan procedures will lead to a decline in production
- Shortage of cash is a fertile ground for the activities of informal money lenders
- Unions and cooperatives anticipate more difficulties in accessing marketing credit (survey: 64%)
- In addition to the COVID-19 impact, new rules of the Ministry of Finance regarding the withdrawal of money³ are expected to create problems for labour payments by investor farmers

What actions are required?

- Request the National Bank of Ethiopia to provide financial support, considering the importance of the sector for export revenues
- Encourage the regional government to provide funds for the Dedebit Credit and Savings Institution (DECSI) in Tigray region and the Amhara Credit and Savings Institution (ACSI), for loans to smallholders
- Encourage commercial banks to provide merchandising loans to cooperatives and unions
- Share experiences on risk sharing, guarantee funds and collateral modalities with governments and international partners to support private banks with financing unions and cooperatives
- Promote the use of collateral and cash-based guarantees among farmers' organizations
- Take proactive action to develop contract farming modalities

What stakeholders are involved?

- National authorities and regional governments
- National bank and financial institutions, including commercial banks and micro-finance institutions
- BoAs and Regional Cooperative Promotion Agencies (RCPAs)
- Primary cooperatives and cooperative unions³
- Investor farmers and large private and semi-public companies and programmes
- SBN support programme, ATA

Who takes initiative, who drives action?

- Regional government
- Financial institutions, investors and farmers' organizations

³] Maximum of 200,000 Ethiopian Birr (ETB) per person per day, and not more than 1,000,000 ETB per month.

Dashboard

Outcomes of May Survey Ethiopia
identification of FDG topics or Alerts

- Severe negative impact
- Negative impact
- Slight negative impact
- No impact; business as usual

Sesame sector operations and services

Alert May

Perceived risk level of the sesame sector	■
Sesame acreage planted	■ Alert area 1
Seed availability	■
Seed distribution	■ Alert area 3
Fertilizer availability	■
Fertilizer distribution	■
Field preparations for upcoming production season	■
Cost of production	■ Alert area 4
Labour availability and costs	■ Alert area 2
Income of labourers and food expenditures	■ Alert area 2
Mechanization rental services	■
Investments in mechanization	■
Extension services	■ Alert area 3
Sesame sector information sharing	■
Finance for production	■ Alert area 4
Quantity and quality of produce harvested	■ Alert area 1
Farmer income and sector profitability	■
Sourcing of processing companies	■
Local market operations	■ Alert area 1
Export marketing channels and foreign currency generation	■ Alert area 1
Sesame sector collaboration	■
Food and nutrition security	■ Alert area 2
COVID-19 measures on mobility	■
Government funding of services	■
Government strategic direction and policy responses	■

Rapid Assessment & Sesame Alert

To avoid a food and hunger crisis following the current COVID-19 pandemic, urgent action is needed to address key agricultural challenges, including bottlenecks, identified in the sesame sector. This Sesame Alert is the result of a collaborative effort. A rapid assessment is conducted at country level through a survey and focus group discussions (FGDs), inspired by the model of sector transformation developed by [Aidenvironment](#) and adapted to various sectors by [Wageningen Centre for Development Innovation \(WC DI\)](#). Regular iterations of the rapid assessment of the sesame sector are performed to identify challenges in the sector and determine the actions needed to address those challenges, leading to the generation of 'Sesame Alerts'. Further details on the methodology and steps used, and on the development of the current document can be accessed through [this link](#).

Purpose

This Sesame Alert aims to assess the impact of the COVID-19 crisis on the functioning of the sesame sector in Ethiopia. More information on the Rapid Assessment Project can be accessed through [this link](#).

Alerts in other sectors

The Alerts cover the impact of the COVID-19 crisis on the functioning of the seed, fertilizer and horticultural sectors in other countries. The use of the tool for other specific commodities, such as dairy and potato, is also being explored. Working with a similar model of rapid assessment in various sectors and countries within a specific time frame facilitates an interpretation and synthesis of the impact of the COVID-19 crisis on food systems at national, regional and global levels, while also providing insights into coping strategies, and immediate and practical actions needed to address emerging challenges. It furthermore offers insights into the use of sector transformation as a diagnostic tool for supporting strategic development, planning, identification and monitoring interventions that aim to enhance the functioning and resilience of agricultural sectors and food systems.

Partnership

The rapid assessment is implemented by a consortium of partners facilitated by the Sesame Business Network (SBN) support programme, and coordinated by the Ministry of Agriculture, Amhara Regional Agricultural Research Institute (ARARI), and Tigray Agricultural Research Institute (TARI). The SBN support programme is a partner in the Bilateral Ethiopian Netherlands Effort for Food,

The 'Sesame Alert' is published within a series of 'Rapid Assessments' and 'Alerts' in multiple countries, and is a WC DI Sector Transformation publication.

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Income and Trade (BENEFIT) Partnership project, funded by the Dutch Ministry of Foreign Affairs through the Embassy of the Kingdom of the Netherlands (EKN) in Addis Ababa. The SBN support programme aims to contribute to the competitive, sustainable and inclusive development of the sesame sector, including related rotation crops, for increased farmers' income and socio-economic spill-over effects. The SBN support programme is coordinated by Wageningen Centre for Development Innovation (WC DI), part of Wageningen University & Research (WUR) in the Netherlands, which supports value creation by strengthening capacities for sustainable development.

Contributing organizations

This 'Sesame Alert: Ethiopia' involved representatives of the following organizations in the survey and focus group discussions:

- Ministry of Agriculture (MoA)
- Agricultural Transformation Agency (ATA)
- Amhara Bureau of Agriculture
- Tigray Bureau of Agriculture
- Amhara Region Agricultural Research Institute (ARARI)
- Gondar Agricultural Research Centre (GARC)
- Tigray Agricultural Research Institute (TARI)
- Humera Agricultural Research Centre (HuARC)
- Labour and Social Affairs Office
- Woreda Administration offices
- Regional Cooperative Promotion Agency and Cooperative Promotion Offices (CPO)
- Metema Farmers' Cooperative Union
- Selam Farmers' Cooperative Union
- Tsehay Farmers' Cooperative Union
- Setit Humera LTD Farmers' Cooperative Union
- Netsanet Primary Cooperative
- Selet Hulling Plc
- Ayana Plc
- Dawit Fisseha Seed Producer Plc
- Virgin Humera Oil Plc
- Tarik Local Oil Processing
- Ethiopian Commodity Exchange (ECX)
- Abay Bank S.C.
- Commercial Bank of Ethiopia (CBE)
- Cooperative Bank Oromiya (CBO)
- Dedebit Saving and Credit Institution (DECSI)
- Farmers
- Labourers

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