



# Sesame Business Network

## An introduction

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# Sesame open!



# Potential of sesame

- Sesame: 1 of 6 priority crops in Ethiopia (AGP; ATA)
- Ethiopia is the fourth biggest producer and second biggest exporter of sesame in the world
- National production doubled in past 5 years
- Current annual export revenues are above 340 million USD (90% value of oil seeds export)

# Potential of sesame

- Significant turnover, but also significant potential for growth:
  - Production and yield improvement
  - Reduction post-harvest losses
  - Reduce cost of credit (production cost-price reduction)
  - Domestic value addition
  - Market access and turnover
  - Potential spill-over effects (500,00 seasonal labourers)

# Project in a nutshell

- The SBN is a largely informal innovation network that's driven by local entrepreneurs and other stakeholders, to work towards more competitive, sustainable and inclusive sesame value chains.
- Building blocks of the SBN are Sesame Business Clusters (SBCs) (ABCD)
- The support programme supports the sesame sector stakeholders achieve their objectives

# 5 objectives

## Overall goal Goal of SBN

Income improvement is the overall goal of SBN.

two major strategies:

### (A) Production cost price reduction

1. productivity and quality improvement;
2. credit cost reduction and
3. harvest, transport and storage loss reduction

### (B) Product and market development

4. post-harvest value creation and
5. market linkages and sales

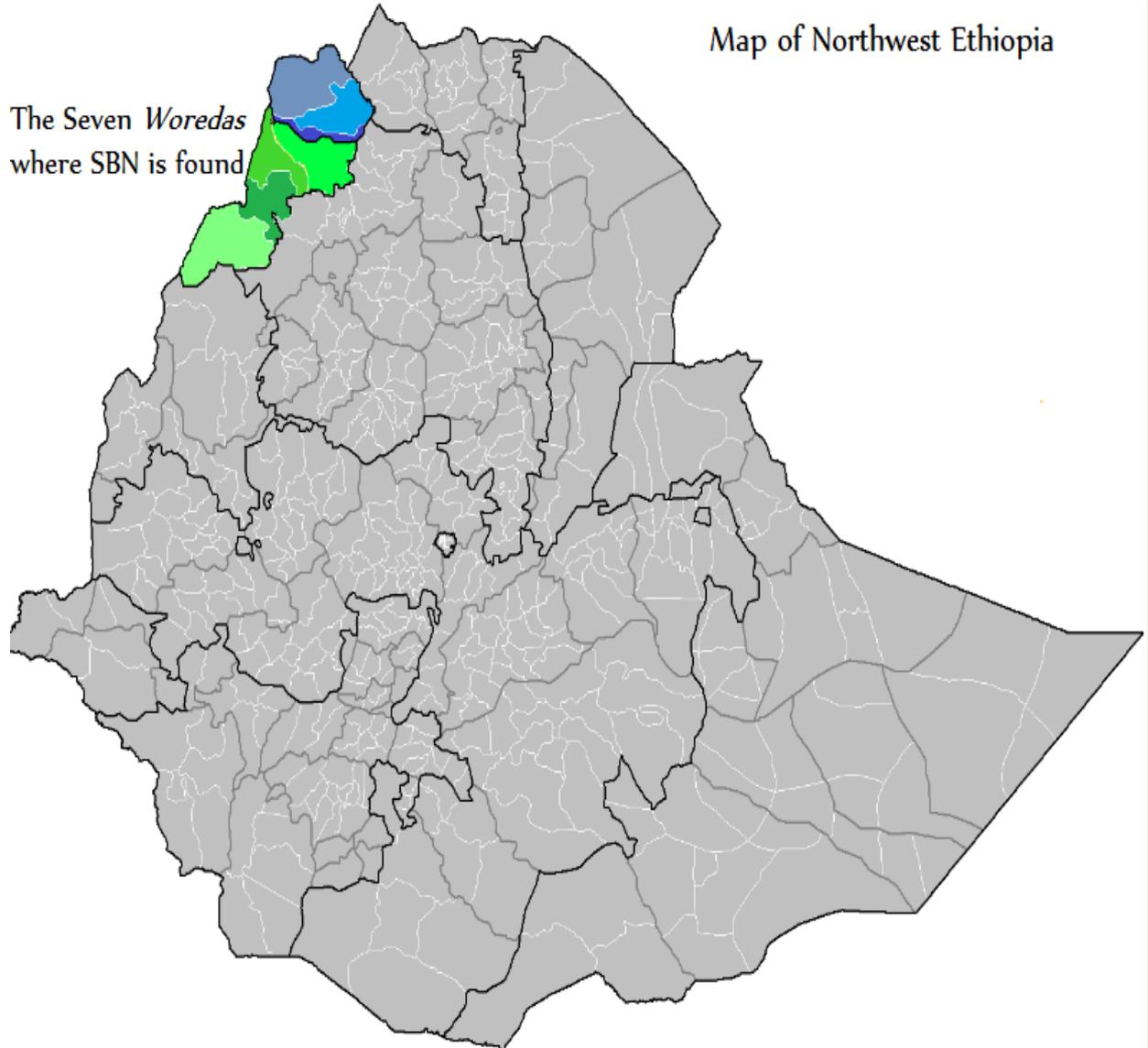


# Location & clusters

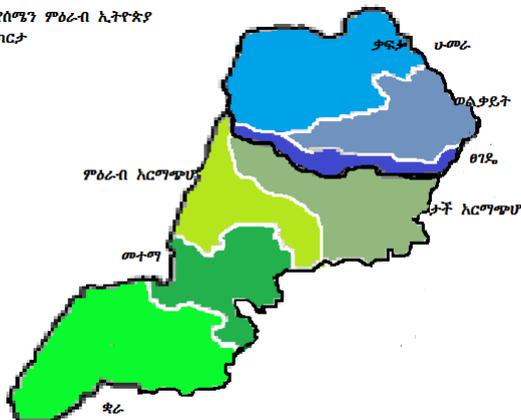
- 19 clusters
- >70% sesame production
- 154.125 hh
- 39% in cooperatives
- Land area of NL

Map of Northwest Ethiopia

The Seven Woredas where SBN is found



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# Team

## SBN facilitators, based in Gondar

SBN support program coordinator (senior agronomist)

SBN facilitator - agro-economics and business dev.

SBN facilitator - communication and extension

Financial-administrative officers

### SBC coaches Tigray ('Humera')

Agronomist – sesame production

Economist – value chain and  
business development

Communication and extension

Team coordinator

### SBC coaches Amhara ('Metema')

Agronomist – sesame production

Economist – value chain and business  
development

Communication and extension

Team coordinator



# Joint goal achievement

Objectives  
SBN

Objectives  
cluster actors

Outcomes  
and results

CAPACITY

Human and  
financial  
resources

Share  
costs

Own  
resources

SBN support  
program

Partner

Sesame cluster

Common understanding

# Funding modalities

## Demand-driven financial instruments

**ToT Fund:** Facility to improve the capacities of local SBC service providers (extension, research, staff of coop/unions, companies, ...)

**SBC Fund:** Supporting SBC actors to realize their action plans, and to develop and test innovations

**SBN Fund:** Support to sesame sector stakeholders to address strategic issues

**C4C fund:** support for cooperative Unions (SNV, BMGF)

**Strict financing principles:** link to SBC priorities, never buying participation or fund what stakeholders do themselves

Now: co-funding partnership agreements



GOALS and OBJECTIVES	IMPACT INDICATORS
<b>OVERALL GOAL : INCOME IMPROVEMENT</b>	<b>30% average increase in farmers' net income from targeted commodities (sesame and sorghum), enterprise development and labourers' purchase power and welfare.</b>
<b>GOAL/STRATEGY 1 - PRODUCTION COST PRICE REDUCTION</b>	<b>30% cost price reduction per quintal of targeted commodities (sesame and sorghum).</b>
Objective 1 - Productivity and quality improvement	50% productivity improvement for sesame and sorghum by the end of 2015, set against baseline yield level.
Objective 2 - Credit cost reduction	50% reduction credit costs for farmers, set against the average credit cost rate of informal and formal credit prevailing during the 2012-13 production and marketing season.
Objective 3 - Harvest, transport and storage loss reduction	30% reduction of harvest, transport and storage losses, set against baseline loss level.
<b>GOAL/STRATEGY 2 - PRODUCT AND MARKET DEVELOPMENT</b>	<b>Farmers and small, medium and large enterprises operating in the sesame zone of NW Ethiopia improve their net benefits with 10% as a result of product and market development.</b>
Objective 4 - Post-harvest value creation	10% price improvement, resulting from post-harvest product development activities, as compared to farm-gate price at harvest time.
Objective 5 - Market linkages and sales	More than 10% of the sesame and sorghum production of NW Ethiopia is directly channelled to large (inter) national buyers and fetches significantly higher prices and has spill-over effects.



# Main achievements in 2013 (2)

Major activities:

- Yield measurement
- Demonstration fields & training of trainers
- (Post)-harvest losses study
- Production & credit cost study
- Communication strategy
- Collaborations at different levels: 6 co-funding contracts



# Collaborations



**2SCALE**



# Ways forward for 2014

- ABCN approach operationalized
- Field presence & visibility
- Conditions are in place to go to scale:  
19 → 33 clusters
- High possible return on investment



# Questions?

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