

Sesame Business Network Newsletter



Issue 1 , October 2013

Dear readers,

We are excited to share with you the first newsletter of the Sesame Business Network (SBN) in northwest Ethiopia. The SBN is a largely informal innovation network that is driven by local entrepreneurs and other stakeholders to work towards more competitive, sustainable and inclusive sesame value chains.

SBN has a three-year support programme (2013-2015) and is built around 19 local sesame business clusters in northwest Ethiopia. The support programme provides various support facilities making a consolidated effort towards ensuring that stakeholders of the SBN jointly develop for improved value chain performance and farmer benefits.

The purpose of this first SBN newsletter is to provide you with an update on the activities that have taken place in the first half year of the programme. Special emphasis is given to the activities of the first half of 2013 and the official launch of the SBN support programme that took place on May 15-16 in Gondar, Ethiopia.

We hope you will enjoy reading our first issue. We look forward to keeping you well informed about the overall activities of the SBN and its support programme. We will be grateful for your comments, suggestions and inputs for our future issues of this newsletter.

Sincerely,

The SBN support programme team

The Purpose of SBN Newsletter is to provide relevant and timely information about the overall activities of the SBN and its support programme.

In 2013, this newsletter will appear bi-annual. From 2014 onwards, it will be produced quarterly.

The SBN Support Programme Officially Launched

On the 15th and 16th of May 2013, the Sesame Business Network (SBN) launched its support programme at Gondar in the presence of various stakeholders drawn from sesame production and business sectors in northwest Ethiopia. Centre for Development Innovation (CDI) of Wageningen University and Research centre (Wageningen UR) in collaboration with Gondar and Humera Agricultural Research Centres and Bureaus of Agriculture of Tigray and Amhara regions.

The main objective of the workshop was to develop collaborative and productive working relations among different stakeholders and support programmes within the SBN so that they can jointly develop more competitive, sustainable and inclusive sesame value chains.

A vital component of the launch was the part in which all 19 Sesame Business Clusters (SBCs) representatives were given the chance to present themselves and their respective business cases, and where they could discuss their cases with other stakeholders. SBC actors presented their cases with annotated posters, spurring a great deal of discussion and exchange.



Participants attending the workshop

The workshop convened more than 92 participants drawn from primary cooperatives, unions, processors, ARCs, BoA, Mekelle and Bahir Dar University, Agricultural Transformation Agency (ATA), Agriterra, SNV, Integrated Seed Sector Development (ISSD), IFDC (2Scale staff), CASCAPE staff, and representatives from ECX and *woreda* and Zone administrative offices. Further in this newsletter, more information is provided from the speeches and presentations

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Sesame: an important agribusiness sector in Ethiopia

Sesame is an important agribusiness sector in Ethiopia and is one of the six priority crops of the Agricultural Growth Programme (AGP). Ethiopia is the fourth biggest producer and second biggest exporter of sesame in the world. National sesame production has more than doubled in the past 5 years. It accounts for 90% of the value of exported oilseeds, estimated at 379 million USD.

Although it already has a significant turnover, the sector has substantial potential for further growth in terms of production and yield improvement, reduction of post-harvest losses, domestic value addition, market access and turnover. The largest part of the Ethiopia sesame production and export originates from Humera and Metema production zones in the northwest part of Ethiopia.

An innovation network owned by the stakeholders themselves

SBN is an innovation network owned by the stakeholders themselves. Building blocks of the SBN are Sesame Business Clusters (SBCs). Participation in the SBCs, and within the SBN, is voluntary. Improved performance and benefits are the motivation for stakeholder participation.

Based on value chain and stakeholder analysis and upon expressions of interest by stakeholders themselves, the programme has already started to work with nineteen local SBCs located in 7 *woredas* of west Tigray and north Gondar zones. These *woredas* contribute to cover more than 70% of national production and are focal areas of the SBN support programme.

Designing the SBN support programme

The Netherlands government through its Directorate General of Foreign Affairs (DGIS) and its Embassy in Addis Ababa in partnership with the 2Scale programme led by the International Fertilizer Development Center (IFDC) funds a three-year support programme which allows for accompanying the sesame sector stakeholders to achieve their objectives. The objectives of this support programme follow the economic objectives of the members of the SBN. Research, extension, training and facilitation services are supportive to SBN member initiatives. Capacity and innovation development, in combination with knowledge sharing and learning, support the effective development and uptake of innovation to address stakeholder identified challenges.

It is important to state that the SBN and its support programme are distinct entities. In actual fact, such a network among stakeholders already exists informally, but is rather weakly intact. The support programme was launched to help facilitate a more active interaction among sesame stakeholders in northwest Ethiopia.

SBN support programme: an activity overview

The SBN support programme was launched in May 2013 and it will be operational until December 2015. Different steps have been taken between January and May 2013 to ensure an effective and sustainable start of the SBN support programme. The following part gives an activity overview of these most important steps.

Local Sesame Business Clusters are the building blocks of the Sesame Business Network. An SBC is defined as a network of local actors that voluntarily organise themselves around the sesame value chain to achieve their individual and common goals.

Facts about Ethiopian sesame sector: room for improvement

- Sesame can be grown between 500 and 1500m altitude, requires high temperatures (>25 °C) and needs 300-750mm annual rainfall.
- The yield gap is large; average yields (4 quintal/ha) are far below potential. There is a tendency towards decreasing yields, because of mono-cropping and soil fertility degradation.
- Seed varieties are of shattering types. Seed sources are mainly farmer-saved seed or imported from Sudan. Some new varieties are available.
- There is much potential for improving agricultural practices; timely land preparation is an issue, the use of fertiliser and pesticides is insignificant and the incidence of pests and diseases is high.
- Post-harvest and storage losses are high, often > 30%.
- Sesame is labour intensive; harvesting requires 30-40 person-days per hectare. Labour shortages and hardship conditions incur relatively high labour costs. At peak times, the sesame zone of northwest Ethiopia hosts up to 500,000 seasonal labourers.
- Agricultural credit is largely informally organised; credit comes at a very high interest rate to farmers.
- Sesame is often poorly cleaned and graded. Little value addition takes place in Ethiopia; processing, tracing and certification are at their infancy.
- Most of the Ethiopian sesame is exported to low-value markets; Ethiopian sesame fetches below the average world market price. The white Humera type sesame has however a good reputation in the international bakery and confectionary sector.

Identifying clusters and the state of affairs in sesame

In January and February of this year, the first initial steps towards establishing the SBN support programme have been taken. Two workshops were held in Gondar in February with all relevant sector stakeholders to assess the current state of affairs in the sesame sector in northwest Ethiopia. The workshops helped to come to a further identification of key challenges.

During these workshops, a long list of potential Sesame Business Clusters (SBCs) was composed, based on analyses of farmers, production zones, marketing centres, presence of the Ethiopia Commodity Exchange (ECX) and infrastructure. With 19 potentially interested SBCs, expressions of interests were signed.

The table below overviews the 19 SBCs that are voluntarily participating in the SBN support programme. These 19 SBCs are spread in 7 woredas across north Amhara and West Tigray zones. The clusters account for 70 per cent of the Ethiopian sesame production.

Table 1. Sesame Business Clusters (SBCs) vs. the woredas in which they fall

Amhara Region North Gondar Zone		Tigray Region West Tigray Zone		
Woreda	SBC	Woreda	SBC	
Quara	Gelego	Kafta Humera	Adebay	
Metema	Gendewuha Brshign		Adi-goshu	
	Metema Yohannes-Kokit		Adi-hirdi Setit	
Mirab Armachiho	Shinfa		Kafta Humera	
	Abderafi		Maernet	
Tach Armachiho	Abrhajira		May-cadra	
	Ashere		Rawyan	
Tach Armachiho	Sanja		Trkan	
				Tsegedede
				Division
		Welkaiet	May-gaba	

Aligning to existing initiatives and building partnerships

An important feature of the SBN support programme is its mission to support the already existing, informally organised network and to align – where possible – to existing initiatives and programmes. This way, the SBN support programme strives to maximise consolidated efforts, and support the SBN in a sustainable, efficient and integrated manner.

In February 2013, important steps have been taken towards an institutional embedding of the SBN support programme in northwest Ethiopia. Memorandums of Understandings (MoUs) have been signed with the Universities of Mekelle and Bahir Dar, with Agricultural Research Institutes of Amhara and Tigray (ARARI and TARI) and with the regional Bureaus of Agriculture (BoAs).

The SBN support programme has also established an official partnership with the 2Scale programme of IFDC. Both SBN and 2Scale programmes seek to support business development initiatives at the local level with farmers, farmer-based organisations, agro-processors, traders and other agribusiness stakeholders. Since the two programmes seek to support the sesame sector in northwest Ethiopia, it is believed that integrating the two creates synergy, utilises complementarities of IFDC and CDI and optimises efficiency and effectiveness. Also, the support programme administratively falls under the Capacity building for Scaling up of Evidence-based best Practices in agricultural production programme in Ethiopia (CASCAPE), which aims at increasing agricultural productivity in a sustainable way.

...the SBN support programme strives to maximise consolidated efforts, and support the SBN in a sustainable, efficient and integrated manner.

Moreover, the support programme has taken first actions for exploring future collaborations with programmes of SNV (Cooperatives for Change, C4C), with Agritererra, and with Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI-VOCA). Future newsletters of the SBN support programme will give more information about these processes of building partnerships and aligning initiatives.



Stakeholders, discussing in the workshop

Measuring the state of affairs: baseline studies

During March and April, baseline studies have been conducted on two levels. First, a wide range of sesame-related data has been collected at the *woreda* level, resulting in 7 *woreda* baseline reports. The *woredas* baseline studies were followed by SBC baseline studies.

With each of the 19 clusters, 2-day baseline workshops were held with the most important stakeholders of each cluster being present. Data was collected on the historical context and current situation of the SBCs, specifying for farmers and production, access to production factors, value addition and marketing, and the enabling environment and support functions. The last part of the baseline focused on stakeholder relations, a SWOT analysis, and the biggest challenges the SBC are facing. The SBC baseline studies have led to business case reports, and are condensed in summary papers. Outcomes of the baseline will be spread in the next newsletter, and will be published on the new SBN support programme website that is to be published at the end of October.



Participants, working in groups during the baseline study

What is next?

After the launch of the SBN support programme, the first SBN support activities have been designed. As a result, during June and July, the baseline process was followed up by a process of action planning with all 19 SBCs. During this action planning, SBC actors themselves define their strategies, actions and activities for the 2013-2015 period. This served as input for the SBN support team to define and start their support activities.

In addition, some first activities have already started during the June - October period so as to not miss the opportunity to start activities during the rainy season. The next newsletter, which will be published at the end of 2013, will further outline the process and results of the action planning and the start of support activities. The SBN website will also be established at the end of October - becoming the online platform where you can find more information about the overall activities of SBN and its support programme. Also, you can find us on Facebook, through <https://www.facebook.com/pages/Sesame-Business-Network-in-Northwest-Ethiopia/119927828216264>

Staff

After a thorough process of staff recruitment, a total of 12 Ethiopian coaches, coordinators and facilitators have started to work for the SBN support programme in May. The support programme is coordinated in Ethiopia by national coordinator Dr. Geremew Terefe, and is supported from the Netherlands by Mr. Ted Schrader from CDI. The last page of this newsletter provides brief overview of coordinators, facilitators and coaches.

Contact us through:

For more information, questions and comments you can contact us through: sbnethiopia@gmail.com Information More information about the SBN and its support programme will also be found on the SBN website which is currently under construction: <https://www.sbnethiopia.org>. you can also find us on our facebook page: <https://www.facebook.com/pages/Sesame-Business-Network-in-Northwest-Ethiopia/119927828216264>

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Account of the launching workshop

Stakeholders in the Sesame Business Network (SBN) in northwest Ethiopia came together on the 15th and 16th of May 2013 to launch a three-year support programme, the SBN Support Programme in Gondar, one of the main sesame business hubs of the country.

The workshop officially began with a warm welcome from Dr. Geremew Terefe, SBN national coordinator. In his welcoming words, Dr. Geremew stated that the launching workshop was an important platform in developing the envisaged networking among the sesame business value chain actors.

This was followed by the opening and keynote speeches of Dr. Eyasu Abraha Director General of Tigray Agricultural Institute (TARI) and Dr. Fentahun Mengistu, former Director General of Amhara Region Agricultural Institutes (ARARI) respectively. In their speeches, the two speakers highlighted that sesame is of strategic importance to Ethiopia in terms of production and export. They also emphasised the importance of working on value addition in sesame production and marketing to reach high value markets.

The speeches of Dr. Eyasu and Dr. Fentahun were followed by an explanation of Ted Schrader on the initial steps of the SBN support programme so far – such as signing MoUs with different partners, and baseline studies. Mr. Schrader emphasised the importance of value chains and stakeholders' collaboration, and of clusters as building blocks for the network. He added that the three year programme will provide support for the sesame value chains in north Gondar and west Tigray areas with the financial support from the Dutch Ministry of Foreign Affairs, and the Netherlands Embassy in Addis Ababa and with technical support from CDI and ARCs in Amhara and Tigray regions.



Mr. Ted Schrader, explaining initial steps of the SBN support programme

Alemayehu Kassa, Gondar Agricultural Research Center (GARC), Muez Berhe, Humera Agricultural Research Center (HuARC) and Oscar Geerts, Meset Consult, presented the result of the baseline studies. They presented some general facts and figures about sesame production and yields, the amount of land covered in sesame, practices in the production of sesame and other findings based on the data that they gathered from Metema and Humera sesame production areas. Following their presentation, questions were raised and discussions were held about some of the findings.

Subsequently, ten Sesame Business Clusters had presented their cases. In their poster presentations, cluster representatives emphasised points such as sesame production and productivity, stakeholders' relations, marketing situations, problems pertaining to production and marketing, extension and other support.



Cluster members while presenting their business cases

The remainder of the first workshop day was spent by group discussions on key challenges reported in previous workshops in Metema and Humera. The ten main challenge areas identified were: production inputs; finance; labour; agricultural practices; pests and diseases; storage; markets and marketing; quality and value addition; infrastructure and governance, and capacity strengthening and support services. Participants were assigned into ten different groups and they discussed and identified specific problems in each challenge area.

The first day of the workshop ended with Ted Schrader's presentation of a group collaboration tool ('magic stick'), which shows the importance of collaboration and working together.

Day two of the workshop began with a recap of the first day. After the recap, SBN support programme staff members presented the specific problems that they identified under each challenge areas in the group discussions they had in

the first day of the workshop. Then, participants of the workshop continued with a second round of the marketplace. Seven other clusters presented their cases.

After Gareth Borman had given a brief explanation on how to go about from challenges to activities, he assigned participants into five different groups. This time, participants were grouped based on the place where they came from. Two topics/challenge areas were given to each group and instructions were also given to the participants on how they can do action planning. Each group worked hard using the challenge areas given and they identified action areas and they also stated specific activities which they think would solve the challenges observed.

Then, Ted Schrader briefly presented about entrepreneurship. He defined the concept and demonstrated pictorially how thinking differently or having a different look can help solve challenges easily.

After lunch, representatives presented what they have discussed in groups in the morning session. Following action planning, group discussions were held on capacity needs of clusters. Participants were grouped into six and discussed in detail about the main capacity needs of each SBC. The main capacity needs identified were on skill and knowledge development.

Strategic people from, amongst others, Agricultural Research Centers, government officials from woredas and zones, NGOs, ECX came together in one group and discussed strategies beyond SBN.

Late in the afternoon, Schrader explained about SBN support programme fund utilisation and management.

As a concluding remark, Dr. Geremew briefed how the project had been designed and who the different bodies taking part in the designing process were. He extended his thanks to individuals and institutions who contributed to the realisation of the SBN support programme. He finally invited Mr. Yeshitila Merene, Director, Crops research directorate of ARARI for a closing speech. In his closing speech, Mr. Yeshitila emphasised the importance of creating harmony and collaboration to make real change from the production side and bring the country to food self-sufficiency by earning more foreign currency.

Official Launch of the SBN Support Programme in Pictures



Sesame Business Network (SBN) Support Programme Team

SBN Ethiopia

Gondar team



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