Oromia National Regional State
Agriculture Bureau

Agricultural Transformation Agenda of Oromia Region: Cooperatives Unions as Key Players

Presented On International Conference
WHEAT, FLOUR & PASTA)

Dec/2014
Finfine
1. Introduction

• Ethiopia is fundamentally an agrarian country.

• Although the transformation towards a more manufacturing and industrial oriented economy is well underway, the agricultural sector continues to be the most dominant aspect of our economy;

• The agricultural sector accounting for nearly 46% of GDP, 73% of employment, and nearly 80% of the foreign export earnings,

• Therefore, transforming the agricultural sector will be central in country's drive to reach middle income country status, by 2025
2. Background of the region

- Oromiya Region is located in central part of Ethiopia,

- Stretching from the Sudan border in the west and then to the eastern part making a curve to the south up to Kenya border.
2. Background

- Out of the 9 regions, it is the largest administrative region in terms of both population and area:
  - covering an area of about 363,136 Square kilometer.
  - It is estimated that Omiya Region alone covers about 35% of Ethiopia.

- Dominantly situated in the central part of the country:
  - 18 Zones,
  - 265 Rural Woredas (sub zones),
  - 6447 kebeles (sub weredas)
2. Back Ground------

– Population: 29,624,614 (50.3% Male, 49.7% female) (2000 EC CSA population census)

– Projected population as of 2012 is 31.30 million
  • Rural population accounts 87% (basically rely on agriculture for its livelihood)
  • Population growth rate is 2.9% per annum
2. Back Ground----

Area

- Land use of Oromia
  - Total area 363,136 Square kilometer. Out of which:
    - 28.4% is suitable for agriculture
    - >8.5 % Forest land
    - 59.7% bushes and patches of trees
    - Others 2.9%
2. Background...

The region is characterized by:

Diversified:
- Agro-climatic zones,
- Topography,
- Agricultural potential and
- Natural resources endowment.
Altitude Ranges
Agro-climatic variations

<table>
<thead>
<tr>
<th>Type</th>
<th>Coverage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dega (highland)</td>
<td>11.8</td>
</tr>
<tr>
<td>Kolla (lowland)</td>
<td>50.7</td>
</tr>
<tr>
<td>Wenadega (semi-highland)</td>
<td>36.6</td>
</tr>
<tr>
<td>Wurch (extremely highland)</td>
<td>0.9</td>
</tr>
</tbody>
</table>
3. Role of Oromia’s agriculture in National economy

- Oromia accounts for 63% of the national volume of export,
- It contributes over:
  - 45% of the area and
  - 54% of grain production of the country
- It is also a major source of industrial raw materials for domestic agro-industry,
- Area under grain crops ~ 5.65 mil. ha (CSA, 2006 E.C)
- In Meher season major grain crop production ~126 mil. Tons (CSA, 2006 E.C)
- Live Stock share from the country 44.62%
3. Role of Agriculture in GDP (BoFED, 2003)

- **Agriculture**: 62%
- **Service**: 24%
- **Industry**: 14%

Role of Agriculture in GDP (%Share): Agriculture (62), Service (24), Industry (14)
4. Agricultural Transformation Agenda

• The agri transformation agenda in Oromia is based on the Country’s transformation agenda which is coordinated by ATA working in close partnership with MoA, RBoA and other partners

• The transformation agendas are classified into four broad program categories
  – Value chain
  – System
  – Cross cutting initiatives
GROWTH RATE OF GDP AND AGRICULTURE (%)
Annual Regional Cereal Production, (Mill Qut)

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
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<tbody>
<tr>
<td>Teff</td>
<td>14.4</td>
<td>9.1</td>
<td>8.7</td>
<td>9.7</td>
<td>16.8</td>
</tr>
<tr>
<td>Barley</td>
<td>16.7</td>
<td>15.8</td>
<td>16.8</td>
<td>9.1</td>
<td>10.7</td>
</tr>
<tr>
<td>Wheat</td>
<td>16.8</td>
<td>15.8</td>
<td>20.3</td>
<td>24.4</td>
<td>24.4</td>
</tr>
<tr>
<td>Maize</td>
<td>15.8</td>
<td>28.8</td>
<td>34.8</td>
<td>35.9</td>
<td>36.2</td>
</tr>
<tr>
<td>Sorghum</td>
<td>15.8</td>
<td>14.9</td>
<td>16.3</td>
<td>14.7</td>
<td>19.5</td>
</tr>
</tbody>
</table>
Wheat Production

Production

2002  2003  2004  2005  2006

Wheat Productivity

<table>
<thead>
<tr>
<th>Year</th>
<th>Productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>19.57</td>
</tr>
<tr>
<td>2003</td>
<td>19.40</td>
</tr>
<tr>
<td>2004</td>
<td>22.62</td>
</tr>
<tr>
<td>2005</td>
<td>23.21</td>
</tr>
<tr>
<td>2006</td>
<td>26.29</td>
</tr>
</tbody>
</table>
5. Cooperative Sector

- Coops are economic enterprises and as self-help organization, play a meaningful role in uplifting the socio-economic conditions of their members and their local communities,

- Farmers who are members of coops tend to achieve higher yields
Cooperatives play a key role in rural development (Developmental State)

- To Create equal access to the people (Equity)
  - Supply and Distribute Farm Inputs,
  - Farm Out puts Marketing ,
  - Market price stabilization
  - Saving and investing

- Make people to play vital role in the development process (Unity, Self confidence)
5. Cooperative Sector----

• **Vision:-** To contribute to Ethiopian's overall vision of achieving middle income status by 2025 through increasing smaller farmers’ productivity and income by leveraging the activities of Agricultural cooperatives

• **Mission:-** helps many small holder farmers increase their yields and incomes through
  – Autonomous and efficient cooperatives at all tiers that provide effective and sustainable services to members
  – A robust enabling environment of policy and regulatory oversight
5. Cooperative Sector----

• Cooperative functions
  – Input supply and distribution
  – Output marketing including processing
  – Specialized extension
  – Surplus allocation
  – Saving and credit services

• Cooperatives Structure and Governance
  – Cooperatives tiers
    • Primary coops
    • Secondary coops (Unions)
    • Tertiary coops (Federation)
5. Cooperative Sector

• Internal management and governance
  – General assembly
  – Board of directors
  – Hired manager and staffs

• Roles and responsibilities of the federal and regional government
5. Cooperative Sector----

Enabling Policy and Regulatory Environment

• Capacity building for coops
• Audit and legal services of coops
• Financing for coops
• Support for coops formation /Early existence
5. Cooperative Sector----

Strategic Interventions

1. Develop an advanced certification process for well functioning coops,

2. Build coops capacity through a well structured and time bound advanced certification,

3. Make the financing system for agricultural coops sustainable,
5. Cooperative Sector----

4. Strengthening the marketing structure and infrastructure with in which coops operate

5. Increase public sector audit and legal capacity

6. Strengthening the governments coops sector oversight and regulation function
5. Cooperative Sector----

• The OCPA reports shows, This time there are
  – 15,492 primary cooperatives
  – 124 cooperative unions
  – 2 Cooperative Federation

• 2,498,866 members are organized
• Total Capital 2.2 billion birr
5. Cooperative Sector----

Some unions enter to agro processing and value addition

• 2- Dairy- Milk Processing
• 2- Flour Milling Plant ; 2- under construction
• 1- Fertilizer blending plant;1- under construction
• 2- coffee processing plant
6. Agricultural Commercialization Clusters (ACC)

• ACCs enhance execution of existing initiatives at national and regional levels through clustering,

• Designed to strengthen prioritization and focus, and provide strategic platform to effectively execute multiple integrated interventions for commercializing agriculture
6. Agricultural Commercialization---

• Approach and Main Feature
  – Clustering of woredas to support rapid enhancement of priority crops, horticulture and livestock and value chain through proximity of actors
  – Ultimate focus on processing and value addition to ensure specialization, diversification and sustained growth
  – Staged approach to value chain development
6. Agricultural Commercialization

Staged approach maximizes both coverage and increased processing and value addition,

- Stage 1 ACC: Production, Aggregation & Market Linkages Focus intervention areas:
  - Input Supply and Distribution
  - Commodity Production and Productivity
  - Aggregation, Storage and Transport
  - Market Linkage and Export Promotion
  - Access to Finance interventions
6. Agricultural Commercialization

Stage 2 ACC: Processing and Value Addition

Focus intervention areas:

✓ Processing and Value Addition:
  – investment in processing and value addition • SME development support
  – Incentives and facilitation for private sector
  – Food safety, quality and traceability support

✓ Backward/forward linkages

✓ Contracting and outgrower scheme promotion

✓ Prioritization of existing infrastructure investments
Oromia: Map of identified Clusters

- Western Oromia (Maize/ Tef, Fruits & Veg.)
- Oromia Coffee Belt (Coffee/ Fruits & Veg., Honey)
- Central Oromia (Chickpea/ Tef, Honey)
- Eastern Oromia I (Wheat/Pot./Fruits & Veg./Honey)
- Eastern Oromia II (Barley/Pot./Fruits & Veg./Honey)
THANK YOU!!!

GALATOOMA!!