POSITIVE OUTLOOK FOR ETHIOPIAN MANGO FARMERS

ETHIOPIA

The Assosa Union in Ethiopia sells only 3-5% of its members' mangos, mainly due to a shortage of capital and adequately trained personnel, but also major problems with storage and transport as well as poorly organised marketing. Agriterra was asked to analyse the value chain.

A large part of Niels Mureau's working visit in Ethiopia took place in the field.

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The Assosa Union (Assosa Fruits & Vegetables Cooperative Union (AFVCU)) headquarters are located about 700 kilometres from Addis Ababa, the capital of Ethiopia.
The union was founded in 2016 and has 16 registered primary cooperatives with a total of 2,600 individual members. Besides mangos, the union's farmers also produce various other fruits and vegetables.
Niels Mureau from ZLTO left for Ethiopia as an Agripool expert, where he, together with local business advisors Addis Yohannes and Marco Streng, implemented the Value Creator Analysis (VCA) developed by Agriterra in 2017. The VCA is the ultimate toolbox for analysing the value chain from the perspective of the cooperative. The VCA also provided a lot of insight for the Assosa Union in terms of which interventions and changes are necessary in the mango product chain.

Mureau: 'You try facilitating changes in the chain by conducting activities differently, thereby creating greater value. All parties in the chain can benefit from this added value: we're striving for 1 + 1 = 3.' During the two days of analysis, the dependency between chain parties and potential interchangeability was addressed. An example: a proposition to purchase a lorry turned out to not be a good idea, as it was not feasible due to the high purchase cost and associated interest. It was also revealed that during the harvesting season, at least five lorries would in fact be needed.

Programme and objectives

Of the eight parts of the chain analysis, says Mureau, the Validation Workshop and setting up interventions are the most challenging.
'Agriterra's business advisors were initially looked to as the 'experts' who could say how to proceed further. In time, however, the realisation set in that what's most important is what the farmers themselves think. This would ultimately lead to the development of their own action plan.'
A large portion of the working visit took place in the field. The union's manager and experienced staff were very actively involved, feeling more and more that this was 'their project'. The visit is part of a 3-year project. The action plan's steps offer quick results in the short term as well as results in the longer term. Mureau: 'Practical support and monitoring by both business advisors in Ethiopia is crucial, however. The plan will fail, otherwise.'

Negotiating for a better price especially comes down to reliability and the traceability of the mangos. Reliability, in particular, is a critical factor.
'We heard from consumers that they would be happy to buy more mangos and at a better price if there was enough certainty about the supply', says Mureau. 'Assosa Union has facilities at its disposal for processing mangos. While this is more relevant in the long term, harvesting and transport are the top priority for now.'
Immediate payment after harvesting is an example of quick results, which could lead to a huge rise in profits.
Assosa cooperatives often don't pay until after six weeks, while traders pay immediately upon receipt of the goods. Working capital can be acquired through a bank or a SACCO loan. Training and education are also important, although it takes longer for the effect of that to be noticeable. It is important now that the Agriterra business advisors in Ethiopia monitor all planned interventions closely. The first results are expected to be tangible in the harvest season from February to March 2020.