

# So What?

MEDA Summer 2017

Welcome to *So What?*, a periodic look at MEDA's long-term impact around the world. What really changed as a result of our development efforts? What got better for families and communities? This issue looks at the EDGET program in Ethiopia, which ran from 2010 to 2016.

## Ethiopia

# New horizons in textiles and rice

From the air, western Ethiopia is a checkerboard of agriculture, with thousands of tiny fields crowded against each other in an endless patchwork.

Some 85 percent of the population is involved in subsistence farming, mostly on plots of an acre or two (or less). The land is all government-owned, but farmers have access under a tenure system.

Rice is relatively new in Ethiopia, going back only a few decades. More Ethiopians have begun to consume it, often grinding it as an addition to *injera*, the popular spongy pancake normally made from more expensive teff.

### Project outline

- *Name:* EDGET, which stands for Ethiopians Driving Growth through Entrepreneurship and Trade (and means “growth” in the Amharic language)

- *Goal:* Help 8,000 rice farmers and 2,000 weavers boost income by 50 percent or more

- *Strategy:* Improve production and find new markets through enhanced techniques, appropriate technologies, better inputs and affordable support services, including finance

- *Funding:* \$12 million over five years, primarily from the Canadian government

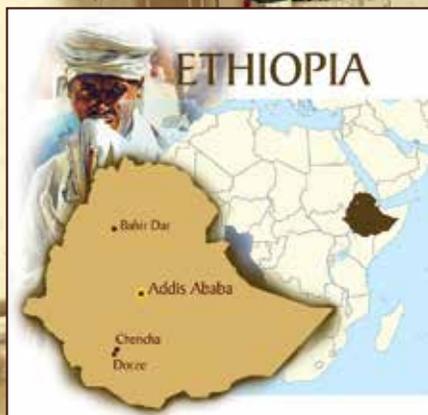
EDGET used strategies that have been highly effective in other countries. For example, MEDA typically works with local partners whose visibility and connections give projects a leg up in getting started and extend the vision and mission long after MEDA has left.

The project employed MEDA's “lead farmer” approach. Farmers selected for their skill and leadership ability were given special training which they then imparted to small groups of half a dozen “follower farmers” who gathered weekly to learn improved agronomy.

In Ethiopia rice is harvested

### Results at a glance

- Income — up 79%
- Assets — up 52%
- Women's involvement — 39%





**A harvester cuts rice stalks for threshing in a field seeded by the traditional “broadcast” method. EDGET encouraged row planting, which reduced labor for weeding and harvesting.**

mostly by hand, the short stalks cut with a scythe and laid out in bunches, to be threshed later. Some farmers still use oxen, if they have them — spreading the bundles of stalks on the ground to be trod underfoot by the animals working in a tight circle. EDGET encouraged hand threshing, which is less damaging.

Then the kernels are scooped into bags and hauled to the village processor who, for a fee, puts it all into a dehusking machine to separate the rice from its bran. The farmers take what’s left (often as little as 70 percent of what they brought in) and consume it as food, sell it at market, or store it for future use.

Staff saw quickly that local attitudes needed to be addressed. Farmers complained that processors’

outdated and poorly maintained equipment caused excess breakage, meaning more tailings for the processor and less money for farmers.

“We give them 100 pounds and they give us back 65,” complained one farmer. “Sometimes they break the rice on purpose so they can take more bran.”

EDGET seized the opportunity to transform predatory relationships



**A roadside market displays weavers’ wares. EDGET helped locate additional ways to promote products.**



**A designer EDGET enlisted to help weavers update their styles arranged an order with Ethiopian Airlines, which wanted a traditional flower woven into its flight attendants’ uniforms. EDGET artisans got to work and before long the product of their looms was traveling to 69 international destinations.**

in the value chain into mutually beneficial collaborations. It arranged regular meetings with farmers and processors to help them understand each other and see the value of working more closely together. It identified processors who seemed willing to upgrade. It researched sources in nearby countries and put together a manual detailing a variety of affordable mills, husk shellers, separators, polishers and whiteners. None of that equipment was readily available before. The manual came to be seen as the best in the country.

Another step was to devise buy/

## Impact — rice

The project greatly strengthened market linkages for rice in the Amhara region. Farmers grew more rice, and processors increased capacity accordingly.

Empowering growers was a key impact. Many adopted new techniques and technologies. They jumped from subsistence farming to robust livelihoods.

Incomes of both rice farmers and weavers (combined total of 10,894) increased 79 percent.

Interventions that provided the biggest boost to farmers were those that required minor equipment improvement, better agronomic train-

ing and adoption (improved seed, row planting, proper quantities of fertilizer). For post-harvest loss, simple poly storage bags became popular as a low-cost solution to on-farm storage, keeping rice clean and protected from insect infestation and outside moisture. Being able to store rice in newly constructed facilities and sell it when the price was high, contributed significantly to increased income.

Farmers embraced row planting (87% of females, 79% of males); fertilizer application (89% female, 93% male); and airtight bags (71% female, 74% male). 🌱



**Asrese Lemma got up from a mud bench in her hut, a short walk from her three-quarter-acre rice field, and reached for a laminated card hanging from a peg. It described the new brand of rice she was growing, including advice on seed, fertilizer, planting and weeding. Asrese, then 52 with five children, was eager to become part of EDGET. As a first-time farmer, she lapped up the training and utilized a voucher scheme to buy 25 kilos of new seed. Her friends warned that the risk was great for a woman among mostly-male Ethiopian farmers. "I wanted to be an example to other women," she said. And a great example she was. Asrese became a poster-farmer for EDGET. Her can-do spirit was just what MEDA wanted to encourage to boost incomes among rice farmers. Before long she was honored as one of the top 10 farmers in the area.**

protect rice from insects and swings in temperature and humidity that can cause the kernels to crack. By the end of the project, more than 70 percent of farmers used these portable cocoons to preserve quality.

These efforts nearly doubled yields over the life of the project (92 percent increase).

### **Parboiling for profit**

An EDGET intervention with dramatic impact was providing access and matching grants to acquire simple parboilers that boosted income for both rice farmers and processors.

Parboiled (or precooked) rice retains more bran (and nutrition), cooks faster and produces a harder kernel less prone to breakage. Rice sold in North America is typically parboiled.

The process lent itself well to family producers, as it could be managed by women whose household duties made them less mobile.

Farmers who ventured into parboiling gained astonishing results. A return on investment (ROI) of more than 200 percent was not uncommon. Family income increased considerably as parboiled rice commanded a premium in the market.

An extensive evaluation concluded that "parboiling is an effective innovation that adds value to the rice produced by MEDA clients, even if it is only at the early stages of its potential." \* 🌱

\* The project funder, Global Affairs Canada, was so satisfied with EDGET results in this and other areas that it invited MEDA to run a follow-on project with doubled budget. This project continues to strengthen the rice sector and is expanding into women's garden vegetables and semi-precious gemstones.

lease financing options.

### **Rice productivity**

Farmers made major gains in productivity as they embraced better inputs (seed, fertilizer, pest management); agronomic efficiency (field preparation, planting and weeding); and post-production handling (harvesting, threshing and drying).

An early step was to offer farmers improved seed using a voucher discount. Previously, they simply kept back a portion of each harvest to plant next year. But genetics grew tired over time and stunted productivity. New varieties resisted stresses such as moisture shortage, matured earlier, adapted better to climate change and produced stronger kernels that didn't break as easily. Lead farmers said when they took their rice in for processing they netted out 85 percent, compared to 70 percent previously.

Half of farmers used commercial fertilizers at the outset, compared to 90 percent at the end.

Appropriate technology also helped. A low-cost rotary weeder halved labor costs.

The biggest improvement was switching to row planting from broadcasting. This used less seed and cut weeding and harvesting costs by 80 percent. MEDA's agronomist said "row planting was perhaps the most significant intervention during the project," increasing yields by 25 percent.

Another improvement was to introduce airtight storage bags to

## **Impact — textiles**

Beyond increasing incomes of weavers, EDGET:

- Strengthened linkages to lucrative markets by connecting textile designers with high-end buyers who procured and outsourced their purchase orders (including exports) to weavers.
- Improved the work environ-

ment of weavers and bolstered their skills and output.

- Helped create a national code for ethically produced woven textiles (labor standards, child labor), an industry-wide effort in collaboration with Ethiopia's social services ministry responsible for labor practices. 🌱

# What we did with weavers

**S**outhwestern Ethiopia reveals an entire value chain at work. First, there's the cotton plants along the road, their bolls bursting like popcorn. Village women spin the fibres into yarn. In the next town people bleach the yarn pure white so it will better accept dye.

High in the hills, in places like Dorze and Chencha, weavers (mostly male) are busy at their looms, their output a feast of tribal color. But the next roadside market charges a scant \$3 for a stunning scarf that took days to produce, suggesting something is out of whack. Many weavers, despite hard work, lose money.

From raw cotton in the fields to finely woven garments in trendy stores, MEDA saw the hand-woven textile value chain as ripe for improvement. EDGET was designed to improve the income of 2,000 weavers by 50 percent or more. It sought to create a bigger market by linking weavers with high-end markets, and to improve the supply of inputs and cut out trade inefficiencies.



*"I never thought weaving would change our lives like this," said weaver Werkinesh Wade, who doubled her income, built a house and enrolled her daughter in a better school.*

Lead weavers were sent to classes on modern design, work discipline and market-oriented production. They devised better pricing mechanisms

and more professional promotion.

The Besa Hyzo Cooperative in Dorze, which comprises 48 weavers, expanded its looms when designers said the market wanted a wider product. For generations weavers had produced fabrics that were 80 centimetres wide (about 32 inches) but that wasn't big enough to make a dress. Consequently weavers enlarged their looms to produce fabric a metre wide (39 inches).

"Cluster leaders" (like lead farmers for rice) learned to keep in touch with the market and interpret the latest trends to the weavers in their group. When new orders came from the designers, weavers upgraded accordingly.

Connecting with designers also led to a growing "green" orientation. The high-end market had a lot of interest in natural, organic dyes, and moving in that direction was seen as a competitive advantage. 🌱

## Impact — finance

EDGET established Village Savings and Loan Associations (VSLAs) that worked with women and men in both the textile and rice value chains. The regular savings that these associations facilitated nurtured a sense of financial discipline among producers. Savings became a tool to develop peer trust and social cohesion — critical for communities to address their social and economic needs. When linked to formal financial institutions, regular savings helped VSLA members build a history which helped them access other services.

A business loan guarantee fund established with Ethiopia's BUNNA International Bank encouraged the bank to extend financing to eligible small and medium enterprises. EDGET put up a 50 percent portfolio guarantee so that if the bank lost money on the portfolio they would get up to half of that back. This ran for four years, lending to an assortment of agro businesses.

One result of this positive experience was that the bank opened two new full-service regional branches (with managers and loan officers) to specifically serve this segment. 🌱