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Global Agricultural Information Network

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USDA's Investment in Ethiopia's Livestock Feed Sector Pays Off

Report Categories:

Grain and Feed

Livestock and Products

National Plan

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Report Highlights:

Under USDA's Food for Progress Program, USDA and ACDI/VOCA are working together to support the development of Ethiopia's livestock feed sector through the Feed for Enhancement for Ethiopian Development project (FEED). This report highlights the positive impact this multi-year project has had in building and strengthening Ethiopia's livestock feed production capacity, while at the same time improving the country's resilience and food security. As an example, the government of Ethiopia has contracted with seven FEED project Unions to supply nearly 5,000 metric tons of feed to the drought affected areas.

Overview and Impact of FEED Project:

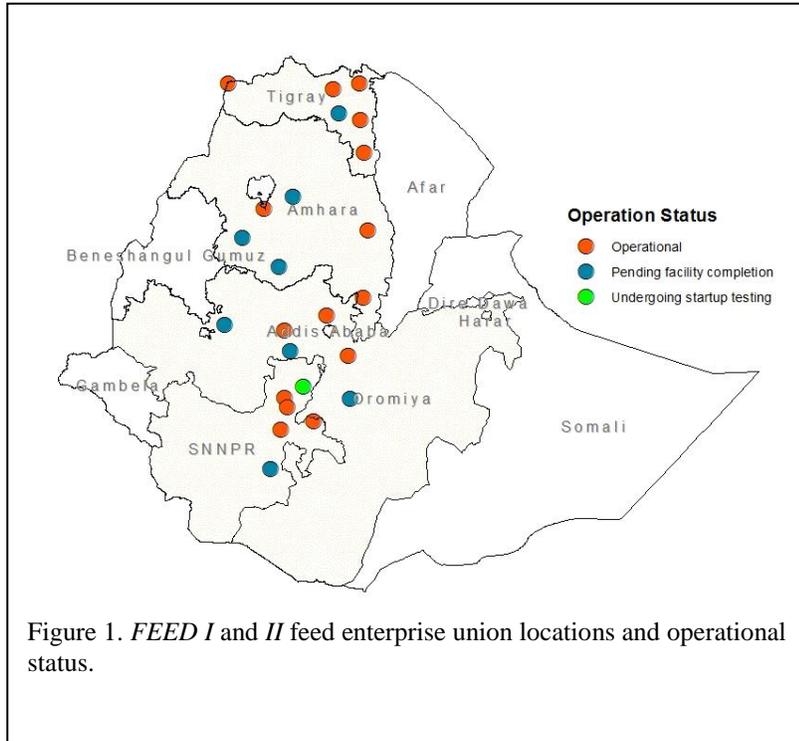
Raising livestock is a major livelihood activity and source of income in Ethiopia. The country's livestock population is the largest on the African continent, with an estimated 80 million cattle, sheep, goats, and camels, and 32 million poultry. They account for 12–16 percent of total GDP and 30–35 percent of agricultural GDP. Ninety percent of crop production is dependent on animal draft power. Livestock contribute to the livelihoods of 60–70 percent of Ethiopia's population, most being smallholder farmers.

Feed is fundamental to growth and sustainability of the meat, milk and egg value chains and the well-being of those whose livelihoods depend on them. Its quantity and quality are both major constraints limiting development of the food animal sector in Ethiopia. *Feed Enhancement for Ethiopian Development (FEED)* is a USDA Food for Progress funded project designed to increase income of smallholder farmers by improving access to, and use of, consistent, affordable, high quality feed that can support greater livestock and poultry productivity and efficiency. USDA's implementing partner ACDI/VOCA, a US-based international NGO, initiated *FEED I* project activities across the country in October, 2009 (*FEED I*). Activities have continued in a second phase (*FEED II*) which began in late 2013 and is scheduled to run through September, 2016.

Project activities focus on development of feed resources and smallholder capacity to use them. Most unique among these is establishment of cooperative union based commercial feed manufacturing enterprises. Appropriate formulation and processing maximizes use of feed inputs and supports higher levels of productivity, particularly of animals with improved genetic potential, as a result of better balanced nutrition. Cooperative unions in Ethiopia are uniquely positioned to connect smallholder farmers to products and services by virtue of their geographic distribution and large memberships. By introducing feed manufacturing into cooperative unions, the *FEED* project is increasing smallholder access to, and affordability of, quality animal feed.

Thirteen such commercial enterprises were established with *FEED I* support, three in each of Tigray, Amhara, Oromia and SNNP regions, and one in the outskirts of the capital city, Addis Ababa. Another 12 are being established during *FEED II*. Currently (as of late December, 2015), 15 are operational. The remaining 10 are in various stages of completion and startup (Figure 1).

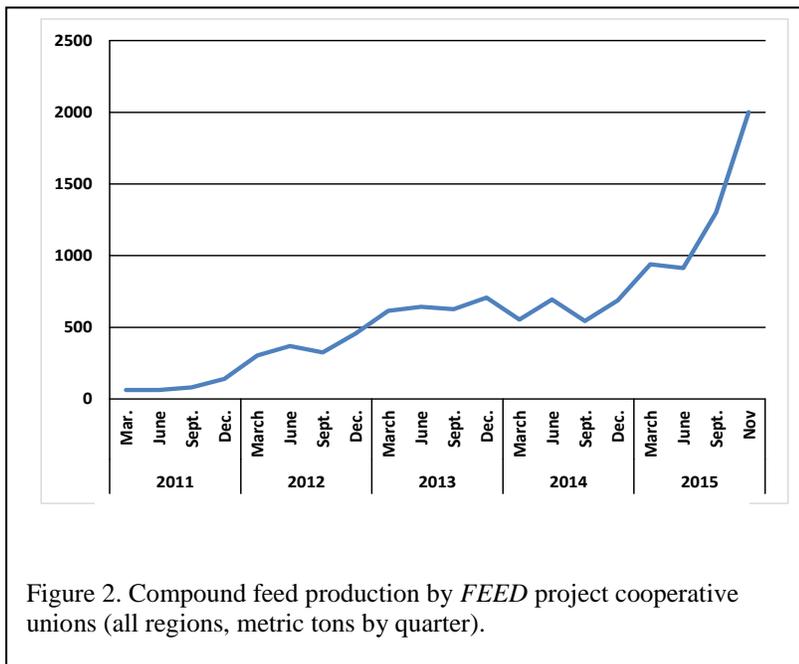
Project support has consisted combination of training (feed manufacturing as a business), technical (e.g. formulation, quality control, equipment operation and maintenance) in-kind (leveraged contributions to equipment and facility procurement and construction). Despite numerous challenges, sales grown over the years as new facilities have come online and smallholder farmers have, through training and marketing efforts, become acquainted the benefits of these types of products and how to use them effectively (Figure 2).



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As beneficial as this is to overall growth of food animal production, development of the sector also contributes to food system and livelihood resilience.

Currently, large parts of Ethiopia are experiencing their drought in decades, due in no part to the El-Nino effect in the Pacific Ocean, leading to shortages of fodder and water. According to the recently released Joint Government and Humanitarian Partners' Document,¹¹ drought "...in the eastern highland farming areas led to loss of crops and livestock in large areas of south and south-



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¹ Government of Ethiopia and Humanitarian Partners. 2016. Humanitarian Requirements Document, Ethiopia.

eastern Tigray, eastern Amhara and central and eastern Oromia and parts of SNNP regions.” Some areas have experienced crop losses of 50 to 90 percent and as many as 19.5 million livestock are facing feed shortages (7 million with acute shortages). Thirteen of 39 *FEED II* implementation *woredas* (districts) are considered significantly impacted by the drought.

Faced with such difficult conditions, regional governments are looking to *FEED* project unions for assistance in mitigating the negative effects of the drought on livestock owners. Requests to the unions for production of supplemental concentrate had reached 1,655 MT by the end of November and is reflected in the rapid rise in tonnage reported for the last two time periods in Figure 2 (note the last data point reflects only two months production, i.e. Oct/Nov as December data were not yet available). A request for an additional 4,800 MT is in the process of being issued (Table 1). The Tigray regional government has been particularly aggressive in building up stocks of emergency feed, accounting for more than 83% of drought related feed requests to unions to date.

Table 1. Cooperative unions that have received drought related feed orders to date (metric tons).

| Region | Union | Feed Production (Aug-Nov 2015) | | | Current drought order production balance | Pending new orders |
|--------------|-------------------------|--------------------------------|--------------|--------------|--|--------------------|
| | | Base | Drought | Total | | |
| Tigray | Enderta ¹ | 308 | 654 | 962 | 346 | 4,800 ² |
| | Bokra ¹ | 211 | 482 | 693 | 682 | |
| | Wolwollo ¹ | 13 | 426 | 439 | 130 | |
| | Geter Adwa ³ | | | | | |
| Amhara | Wodera | 119 | 45 | 164 | 0 | ⁴ |
| | Erikum | 65 | 18 | 83 | 0 | ⁴ |
| SNNP | Sidama Elto | 206 | 30 | 236 | 0 | ⁴ |
| Total | | 922 | 1,655 | 2,577 | 1,158 | 4,800 |

¹ Unions have added a second (and in one case a third) 8 hour shift to accommodate drought related orders in addition to base production for regular customers.

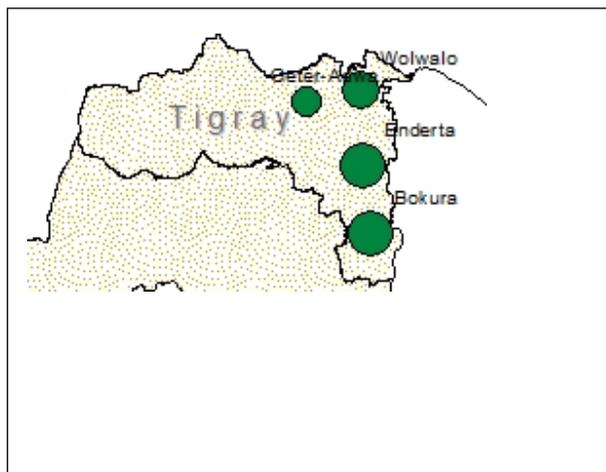
² Distribution of a pending new order among Tigray unions is yet to be determined.

³ Geter Adwa Cooperative Union was established during *FEED II* and just became operational in mid-December. All other unions in Table 1 were established during *FEED I*.

⁴ Additional orders are under discussion.

Location of unions filling the majority of the drought related feed orders are located in the central and eastern portions of Tigray region, some of the most severely impacted areas in the current drought (Figure 3). These areas also happen to coincide with those so tragically impacted by the historic droughts of the 1980's.

Supplemental feeding of livestock herds decreases the need for destocking at depressed market prices or, alternatively, movement of animals in search of pasture and the death loss associated with such dislocations. Maintenance of at least the most important animals, i.e. the breeding females, reduces time to rebuild herds after a drought has passed. Livestock dependent households can recover faster. The additional energy, protein and other key nutrients provided by appropriately formulated supplements help maintain animal health and ability to rebreed.



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USDA's sustained investment in the feed sector of Ethiopia is bearing fruit. Through the establishment of cooperative union based feed manufacturing enterprises, the *FEED* project has not only expanded opportunities for growth of livestock and poultry production in Ethiopia and created new business opportunities and returns for union members and their communities. It has also introduced a new piece to the country's food production system, a piece that provides added flexibility in responding to shocks to the system, i.e. greater resilience and food security.