

New Business Models for Sustainable Trade



Improving market access for farmers in sub-Saharan Africa



WHITE PAPER

Linking Smallholder Ethiopian Bean Farmers to Formal Markets

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EXECUTIVE SUMMARY

This paper is about fairness in buying food products from Africa. It is for buyers and their stakeholders and has been written for a project called “New Business Models for Sustainable Trade - Improving market access for farmers in sub-Saharan Africa”.

The case study supply chain involves smallholder farmers that grow and trade dried beans in Ethiopia for sale into the UK market for canning as Baked Beans.

An emerging agenda of trade and not of charity is driven by consumers to ‘Offer people the chance to work their way out of poverty’.

Where governments and international organisations have had limited success in scaling up successful trade models, a response from business is underway. It is driven by the emergence of the ethical shopper and organisations that set voluntary standards. Meanwhile, buyers are looking for new marketing approaches that clearly state their focus on sustainable outcomes.

As the market drivers provide impetus for change, there remain a number of challenges for business. These include how to effectively communicate complex issues on standards and social accountability to an ever more sophisticated but time pressed consumer. Impact messages on poverty need to be clear, real and easily understood to maintain customer loyalty and also counter suggestions that trade with developing countries has negative outcomes.

“We need to challenge the global perception that Africa means aid. As everywhere, trade and a thriving private sector are the essential components of prosperity and stable economies. We need to open up opportunities for business in Africa”.

Tony Blair May 2007

As the corporate responsibility agenda has emerged, so business has learnt to share challenges. Leaders are now realising that there are genuine business opportunities in working with small producers in developing countries, but that that these need support and commitment on all sides to make them viable business propositions.

The paper proposes a new partnership whose key activity will be to design and implement an equitable trading system for the Ethiopian smallholder farmers. The partners in Ethiopia will be the Catholic Relief Services (CRS) and the Italian company ACOS which has a joint venture that buys and processes beans for the UK market. They work in close liaison with CRS, the Ethiopian government and farmer organisations.

A business working in partnership with ACOS and CRS can expect to influence the way that products are grown, processed, and sold to enhance their own reputation for responsibility. The business can learn in a practical way how to deal with this complex issue and share lessons and experiences with other leading international food businesses.

1. INTRODUCTION

Imagine this... you go into a shop to buy something. You find what you want. Then you notice that you have a choice – not of price and not of quality. Your choice is to buy ‘fair trade’.

Why are you even thinking about it? The quality may be no better and the price is higher. You wonder if the retailer is making more money out of this than the small producer you want to support.

You make a decision to buy. This is your contribution for the day to do something positive about inequality. You put your purchase in your shopping basket.

Then you hesitate. What about the product you normally buy? The price is right, the quality is right. But it has no ‘fair’ logo. Does that mean the product is actually unfair? You, as a shopper, have no idea. Your only answer can be to trust the brand.

This paper is about that dilemma. If you are reading this you are probably involved in the food business, maybe in buying or in marketing. You may work for a retailer, a manufacturer or a supplier. Alternatively you may be somebody interested in the relationship between international development challenges and the food industry.

This paper looks at how business can drive fairness into the mainstream. It will consider market drivers such as the emergence of the ethical shopper. It will outline the problems facing business and what’s been done in the past. It will propose one particular solution (though there are many others) and also make recommendations. It will help you decide what’s right for your business and how you can deliver trust that the mainstream is fair.

This paper has been written for an innovative four year project called “New Business Models for Sustainable Trade - Improving market access for farmers in sub-Saharan Africa”. The details of those involved are listed at the end. They are led by the Sustainable Food Laboratory and the Rainforest Alliance in the USA and the International Institute for the Environment and Development in the UK.

The project considers solutions will be based on partnerships. It seeks to engage civil society, farmers and private sector partners to develop and implement new business models based on principles of stability, equality and opportunity between buyers and sellers. The particular supply chain used as an example in this paper involves tens of thousands of small farmers that grow and trade dried beans in the Great Rift Valley in Ethiopia. These are traded into the UK market for canning as the iconic British staple – Baked Beans.

The much broader context of the paper is the relationship between the food industry and rural poverty in Africa. Our example may be dried beans, but it could also be many others. There is a growing understanding that the international community has an accountability to support the development of Africa. For the past ten years, political negotiations such as the World Trade Organisation ‘Doha round’, have failed to deliver for the poor. Now, there is a clear objective for many stakeholders seeking to deliver sustainable change that is based on an emerging agenda driven by consumers. Offer people the chance to work their way out of poverty. This is an agenda of trade and not of charity.

2. MARKET DRIVERS

A response from business is underway, driven by important trends. There is the emergence of the ethical shopper. Also, there's a market response from a range of organisations that set voluntary standards. Meanwhile, buyers are looking for a better understanding of the effect of their actions in their supply chains. Finally, a new marketing approach shows business telling their stakeholders that they are working to achieve sustainable outcomes.

2.1. THE ETHICAL SHOPPER

Price will remain the fundamental competitive issue for all food retailers. But there is a shift in consumer priorities that sees ethics beginning to match other competitive issues such as taste and quality. In all countries, media attention and lobby groups are bringing issues of health, fair trade, environment and animal rights to consumers' attention. Their response to this information has been remarkable.

“Consumers are more aware than ever of the knock-on effects their consumption decisions make.”

James Walton, Chief Economist, IGD, 2007

A survey by the Institute of Grocery Distribution (IGD) in 2007 found that 35% of consumers said they had stopped buying a product after learning more about how it is produced from a TV documentary. Also, more than 25% were put off by hearing or reading something about a company that made them question its values. This represents a fundamental challenge for those charged with protecting brand reputation.

Consumers in the UK do however recognise that food retailers and manufacturers are responding to the challenge. 60% of shoppers thought the food industry was the best UK industry on ethical issues, up from 35% in 2004. (<http://www.igd.com/CIR.asp>)

“We would like to see more shoppers holding retailers to account for the responsible sourcing of their products.”

Douglas Alexander, Secretary of State for International Development at DFID, December 2007

Consumers also spend their money with due consideration. Research by the Department for International Development (DFID) in December 2007 shows that consumers in Great Britain rate purchasing power above occasional charitable giving as the best way to tackle world poverty. (<http://www.dfid.gov.uk/news/files/pressreleases/shopping-for-development.asp>)

“What I hear as I talk to people is this phenomenal sense of despair about their inability to do anything about climate change, or the disparity between rich and poor,” she says. “But when they go into a grocery store they can do something—they can make decisions about what they are buying and send a very clear message.”

Marion Nestle, New York University, The Economist, Dec 2006

2.2. CERTIFICATION AND EQUITABLE TRADE

A very significant current consumer trend is the emergence of the 'ethical shopper.'

- **In 2007, the 'Fairtrade' brand global retail value was €2.3bn. Growth was 47%.**
- **The UK 'Fairtrade' market was worth £493m. Growth was 72%.**

Figures from the Fairtrade Foundation, 2007

Private standards requiring independent certification are now well established in global food supply chains. Certification provides an independent and unbiased endorsement of a commitment to best practice. Their scope varies from those that deliver food safety to those that deliver an environmental or social promise.

Food safety standards offer no price premium, no added value from consumer logos and no concept of guaranteed supply programmes. They go beyond legislation and international standards to make best practice a requirement and are driven by the retailers and manufacturers. However, the environmental or social standards are different. They tend to be driven by civil society stakeholders and by the ethical consumer. A good example is the Rainforest Alliance, a co-ordinating partner in the New Business Models project. Others are the Fairtrade Labelling Organisation and the Soil Association.

2.3. RESPONSIBLE PURCHASING

A useful way to understand sustainability is to consider it as the outcome of responsibility. Following extensive work by the development charity, Traidcraft (www.traidcraft.org.uk), with the Chartered Institute of Purchasing and Supply (CIPS, www.cips.org) and some of the UK food retailers, there is good evidence of the emergence of working definitions of responsible purchasing. They have been working together as a part of the Responsible Purchasing Initiative and seek to highlight the elements of sourcing practices which lead to positive international development outcomes. (www.responsible-purchasing.org)

CIPS and Traidcraft published in May 2008 a shared guide to more responsible procurement practices. Called "Taking the lead", it provides a useful tool for the buying profession and describes procurement best practice for supply chains that reach from the plates of the rich to the fields of the poor.

The guide lists and analyses the key success factors for an organisation to manage responsible purchasing:

- Leadership and accountability
- Knowledge of the consequences of buying actions
- Managing conflicting priorities
- Thinking and acting beyond short term horizons
- Managing relationships in the supply chain
- Responsible use of power in the supply chain

"In a world where everything is connected, understanding the impact of our sourcing decisions matters. While the concept of sustainable sourcing is not a new one, the increase of global sourcing opportunities has brought the current gaps in procurement practice more to the foreground. As custodians in the 'external' face of any organisation, it is crucial that procurement professionals begin to address this challenge if their business is to remain competitive and continue to secure the trust of their clients and suppliers."

*Ron Jarman, President of CIPS.
Foreword to "Taking the lead, 2008"*

2.4. MARKETING DIFFERENTIATION FOR RETAILERS AND MANUFACTURERS

As a part of the never ending price challenge, investment in the modernisation of supply chains has reduced costs and raised quality. At its best, there is a virtuous cycle. Consumers get better prices, suppliers increase volumes and maintain profitability while retailers secure customer loyalty and the resulting sales uplift. However, there is a shift in consumer priorities as their interest in sustainable food production continues to increase.

Evidence of the outcomes of this interest is that some UK retailers are developing a brand image with its foundations in sustainability. These include Marks and Spencer's with their Plan A. Also, Tesco recently added a fifth element to their strategy – 'Community'. This recognises their social engagement throughout their retail and supply chains. Waitrose, Sainsbury and the Co-operative Group are also actively communicating to their customers that their food procurement has sustainability as a principle. Internationally, strong sustainability initiatives by Carrefour and Walmart have also been launched during 2008.

It's not just the retailers; the manufacturers are also actively involved. Unilever, Nestle, Kraft and Danone have all made it very clear that they are seeking sustainability in their business models.

3. PROBLEMS

As the market drivers provide impetus for change, there remain a number of challenges for business. These include how to effectively communicate complex issues while being involved in a debate on accountability. Also, it is not easy to set policy and current risk assessment models can be both inappropriate and inflexible.

3.1 COMMUNICATION

Rural development issues and their relationship with procurement practice have not been entirely overlooked in communication to consumers. However, in some cases the term 'ethical' has been redefined to equal 'labour standards' and 'fair' has been redefined to equal 'Fairtrade'. Thus, commitments in certain commodities under a 'Fairtrade' brand, combined with membership of the Ethical Trading Initiative (ETI) can become a proxy for an overall policy focus on rural development. Consumer response to such anomalies can be one of confusion. When they buy a product from a well known brand such as Sainsbury or Chiquita with a label from Fairtrade, who is actually the one being trusted? Maybe it is all of them. But what about a product from the same brand, but without an extra label? Can that still be trusted?

However, generating real business in poor countries is something quite real and quite different. It provides companies with a strong and credible corporate responsibility position.

3.2 DETACHMENT

Development issues can appear detached from brand integrity. A brand owner is able to relate to workers' pay and conditions in a factory. However, the production of the raw materials that are used in the factory are considered somebody else's problem. Typically, that somebody else would be the relevant national government, the supplier, the manufacturer or the sub-contractor.

In addition, business is well aware that in many developing countries the rule of law is not applied consistently. Child labour, forced labour and discrimination of people for race, gender and religion are globally recognised issues particularly in food production, the world's biggest business.

3.3 LACK OF POLICY

When it comes to international development issues there has been little evidence of policy development amongst the retailers for their own private label products. The manufacturers, such as Nestle, Unilever and Premier Foods, have made progress for certain commodity items. There are more 'Fairtrade' products on the shelves in certain markets, but core brands and the way they are purchased remain largely unaffected.

Maybe this is no surprise. The context of policy setting is often set by governments and international organisations. The world's largest corporate citizen initiative, the UN Global Compact, has ten principles that address everything except the role of business in supporting the position of the millions of small-scale producers around the world.

3.4 RISK ASSESSMENT

The emergence of food safety issues from uncertified supply chains has resulted in serious cost for retailers and manufacturers. Apart from the direct costs of withdrawals or even recalls, the indirect costs of lost consumer confidence can affect brand image. This leads to cautious procurement based on reducing risk as far as possible. It also leads to risk avoidance that can see regions, countries and industries with greatly reduced opportunities.

However, for the production of commodity foods it is considered that the suppliers take accountability for risk and they deal with it through their quality management systems. On a day to day basis, their most familiar risk is of failures in the organisation of supply leading to availability issues. Suppliers also face the challenge of reducing transaction costs and ensuring legal compliance. Their ability to deal with challenges such as these is the key to success. This is as true for working with small scale farmers as it is for large ones.

Risk assessment by retailers and manufacturers can present apparently insurmountable challenges for small producers in Africa. For example, Ethiopia is one of the world's poorest countries. Landlocked in the Horn of Africa, the country is home to a dense population of 76 million people. Most Ethiopians are farmers or herders struggling to feed their families due to the country's recurring droughts and famines. However, their farmers are entirely capable of producing white dried beans safely. In this case, a different and more appropriate risk matrix needs to be defined and applied.

While this paper looks at risk in an African context, the joint issues of governance and corruption cannot be ignored. In June 2008, an example of this was faced by Tesco. The challenge from civil society and politicians was that their business was indirectly supporting political corruption in Zimbabwe. Following extensive criticism in the media of their long standing arrangement with a Zimbabwean supplier of produce, they announced they would stop. This resulted in further criticism. Meanwhile, Waitrose announced they would continue to source from Zimbabwe. The response by Tesco has meant a loss of precious jobs, though they pledged to seek to somehow support the newly unemployed.

In this case, the challenge was about supporting corruption. Another time it could be about food security. How would a well known brand justify taking food from the mouths of the hungry? The answer will be found in a recognition that trade measured in weight or value or even jobs is insufficient. The actual impact on poverty needs to be understood to counter suggestions that trade has negative outcomes, even in such adverse situations as institutional corruption or drought and famine.

4. WHAT'S BEING TRIED?

4.1. COLLABORATION

The food business has, in the past, been characterised by confrontational working relationships where companies focused on creating value and efficiency in private. As the corporate responsibility agenda started to emerge against a background of the anti-globalisation protests in the '90's, business began to learn to share challenges.

The UK government set up the Ethical Trading Initiative in 1998 to bring the combined knowledge and influence of relevant NGOs and the international trade union movement to work alongside companies. Their shared aim is to identify and promote good practice to ensure decent working conditions for the people who produce the goods sold by companies. The ETI agenda has tended to concentrate on workers rather than producers or growers though they did produce a key reference paper on smallholders in 2005.

There are international 'Roundtables' for Palm Oil and for Soya Bean involving large groups of food business stakeholders. However, in both cases, the focus is not the people, rather it is the environment.

4.2. PARTNERSHIP

The approach of the food business has tended to be to work on compliance issues at their own manufacturing sites, not just for safety and legality but also for labour standards and the environment. They have considered the production of ingredients and raw materials to be their suppliers' problem that should be worked on in terms of national legal frameworks. In reality, in most developing countries legal frameworks are conceptual rather than actual.

Companies minimise reputational risk and mitigate against potential negative stories. However, the leaders are now realising that there are genuine business opportunities in working in a proactive manner with small producers in developing countries.

Individual companies have been getting involved. Waitrose has really innovated through their 'Waitrose Foundation'. In partnership with their suppliers they give something back to the workers who grow and pick their fruit in South Africa. Pick n' Pay, one of Africa's leading retailers, has also innovated with their own Foundation. They focus on funding skills development, entrepreneurship and job creation, particularly in rural development. An example from outside of food is the Body Shop. Communities in developing countries were identified as producers of great value. In a very interesting twist, the company is now owned by L'Oreal and its community based values are seeping back into its new corporate environment.

Some of the corporate participants in the 'New Business Models' project have long experience of working in developing countries. Asda - Wal-mart and Flamingo – Homegrown are looking at new ideas with the International Institute for the Environment and Development (IIED) in Kenya for developing fresh produce supply chains. Kraft Foods and Counterpart are looking at improvements and innovations to increase local value for cocoa producers in Ghana.

Working in partnership, they all seek a relevant model that will be economically viable, environmentally sound and socially equitable.

CASE STUDY:

Demissie Tsegaye from East Shewa in the Great Rift Valley, Ethiopia



The Ethiopian highlands
Photo Wikipedia

Ethiopia, now a stable multi party democracy, is the oldest independent country in Africa. Its capital, Addis Ababa is the home of the UN Economic Commission for Africa and the African Union.

In the north, the Ethiopian Highlands form the largest continuous area of its altitude in Africa, with little of its surface falling below 1500 m (5000 ft). It is sometimes called the 'Roof of Africa' for its height and the large area it covers. The elevation of the district gives an unexpectedly temperate climate helped by the annual monsoon winds from the Indian Ocean that cause rains from June to September. However, it is also prone to droughts and the large rural population struggle to live on less than a dollar a day. Food insecurity is a constant backdrop for the tens of thousands of small farmers. Not far to the north was the centre of the famine of the '80's, started by drought but made much worse by civil war.

The local farmers have very limited access to the technologies that could improve their productivity and income. Their ability to make do with very limited resources is born of necessity.



Demissie has benefited from agro enterprise training and inputs from CRS. Photo by Andrew McConnell, CRS

Demissie Tsegaye is 47 years old and is married with five sons and three daughters. He lives and farms 3 hectares in Bora District, East Shewa. He has no access to rural infrastructure such as roads, water supply or health care. The family is totally dependent on farming for food and income.

His farming system is adapted to his environment, his equipment and his knowledge. He has no irrigation and depends totally on unreliable rainfall which is insufficient and erratic.

Demissie grows a rotation of maize, wheat, teff (a cereal) and white pea beans. His productivity is predictably low. His method is to plough with oxen, then to plant, weed and harvest by hand. No pesticides or fertilisers are used. Crop residues and animal dung maintain soil fertility.

The bean is harvested from October to November. This timing is of great importance as it coincides with the season of food shortage. Beans are grown by all the local farmers as a cash crop to help families get the food they need. He tends to have to sell early in the season when the prices are low.

He says: “I need to sell my crop as quickly as I can because we always need the money. I have no access to credit or information about market prices. What I find difficult is that the traders set the price and I really have no choice. I ask other farmers how they get on but can’t do very much about it. Also, none of us are very confident about the accuracy of the traders’ scales. Unfortunately, this is something that we are unable to check.”

There is mistrust between the farmers and the traders and no official controls. There has been the emergence of farmer’s associations in some areas that does help, but Demissie has no choice at present.

He has some ideas about the improvements he would like to see. “I think I could improve the way I use the rain. I have heard of other farmers that have found out how to capture the water and use it to help the crops. I also think that I could get better results if I had better seeds. Often, many of the seeds that I keep are eaten by pests. In the market, I wish I could get a better understanding of the price. Last year, the bean price really got much better at the end of the season. I don’t know why this happened and it didn’t help me at all, but better prices would make a big difference to our life.”

Demissie Tsegaye was interviewed by Dr Legesse Dadi of CRS in June 2008.

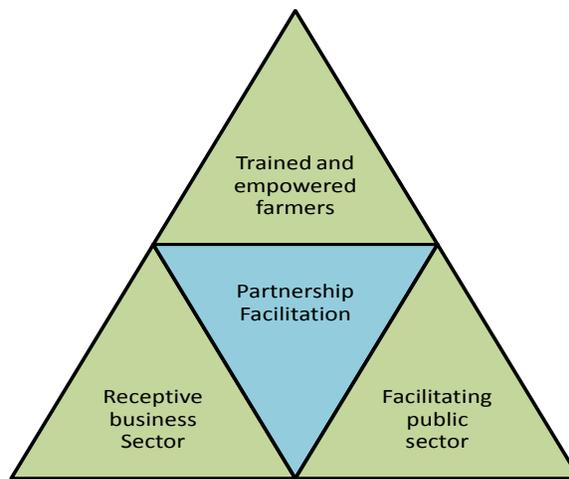
5. SOLUTION

“The solution lies in mainstreaming the principles of fair trade across companies’ core business operations, in the form of ethical and transparent sourcing and procurement approaches across the full length of the value chain: supply, distribution and retail.”

*Business Action for Africa, 2006
Submission to the International Development Committee Fair Trade and Development Inquir*

5.1. HOW CAN BUSINESS FIND OUT HOW TO TACKLE THESE ISSUES?

The three year Regoverning Markets programme (www.regoverningmarkets.org), completed in 2008, looked at the way that modern dynamic local and regional markets are changing around the world. It provided strategic advice and guidance, including this model to show sustainable linkages between small producers and the food business.



Berdegue et al, 2008

5.2. THE BUSINESS OPPORTUNITY

In summary:

- Tens of thousands of small farmers seek training and process improvement. The dried white bean is a commodity with good shelf life and simple agronomy. It is very well suited to low input systems.
- Catholic Relief Services (CRS) is the official international humanitarian agency of the U.S. Catholic community. Their mission, actively pursued in over 100 countries, is to alleviate suffering and provide assistance to people in need without regard to race, religion or nationality. Their local team has been working in Ethiopia to facilitate market access for the farmers and are in close liaison with the Ethiopian government
- The Italian company ACOS has a core activity to produce and sell dried pulses in bulk. It has developed a strategy of vertical consolidation in its global supply network which extends to 10 countries in 4 continents. This includes a joint venture in Ethiopia that currently buys and processes dried beans for the UK market where they are canned in sauce as 'Baked Beans' by Premier Foods. They work in close liaison with CRS and with the Ethiopian government.

The model that emerged from 'Regoverning Markets' provides a clear vision of the necessary elements needed to achieve sustainable trade from small scale farmers. The participants in the 'New Business Models' project believe enduring relationships that benefit all will provide sustainable livelihoods for millions of farmers in Africa.

ACOS, in association with CRS and the New Business Models project, seek a business partner to develop the supply chain for Ethiopian white beans, encourage investment and deliver sustainable business outcomes that will drive fairness into the mainstream.

In this new partnership, the key activity will be to jointly design an equitable trading system that will include the following:

1. Development of a production and post-harvest standard
2. Implementation of standards to deliver supply chain improvements
3. Resolution of appropriate quality specifications
4. Delivery of pricing transparency
5. Communication of outcomes

6. BENEFITS

The supply chains that link Africa and the UK and connect small, poor farmers with rich consumers are managed by some of the world's most discriminating branded food manufacturers and retailers. UK based buyers have an increasing influence on African production.

A business working in partnership with ACOS and CRS can expect the following:

- In a new partnership with small scale producers in Ethiopia, the business will influence the way that products are grown, processed, and sold to enhance their own reputation for responsibility.
- In a new partnership with ACOS and CRS, the business will learn in a practical way how to deal with this complex issue. The result will be a case study that they will be able to use as a model for implementing responsible procurement.
- As a part of the New Business Model project, the business will share learnings with other leading international food businesses over the next four years.

***"We will not be measured by our aspirations.
We will be measured by our actions."***

*Lee Scott, CEO Wal-Mart, talking about sustainability
Fortune Magazine July 31st, 2006*

Further reading (selected)

- ✓ Chartered Institute for Purchasing and Supply / Traidcraft: “Taking the lead”
- ✓ Traidcraft: “Buying Matters”
http://www.traidcraft.co.uk/international_development/policy_work/purchasing_practices/purchasing_practices_reports.htm
- ✓ Regoverning Markets: “Chain-wide learning for inclusive agrifood market development: A guide to multi stakeholder producers to modern markets” <http://www.regoverningmarkets.org>

ANNEX**Ethiopian white beans – the facts*****The global picture***

- Production is expanding slowly around the world, based on population growth, with highest usage in poor developing countries, where beans provide an alternative to meat as a source of low cost protein.
- Beans are part of an agronomic necessity. A key characteristic of their botanical family, the ‘legumes’, is their ability to ‘fix’ atmospheric nitrogen, helping to maintain soil fertility.
- The area planted to beans in the US and Canada has been in decline in recent years as farmers switch to subsidised corn for biofuels and to wheat as global commodity prices climb.
- USDA “National Planting Intentions” identify a reduction of 1.3m acres (-8%) between 2005 and 2007. This figure includes all edible beans. Planting figures for 2008 are not yet available, but when published they are expected to show an accelerating reduction in planting.

Bean production in Ethiopia

- Beans are well suited to low input systems as they can be stored for long periods without refrigeration and provide an excellent nutritional complement to maize, which is one of the most important grain cereals.
- Common beans are grown throughout Ethiopia and are an increasingly important commodity in the cropping systems of smallholder producers, both for food security and income.
- Inputs (pesticides, fertilizers) are virtually nonexistent. Crops rely on rain for irrigation, resulting in yield variability.
- Farmers grow a wide range of bean types, in terms of colour and size, but the most common types are the pure red and pure white beans.
- Whereas red beans are mainly produced for domestic consumption, white beans are almost exclusively grown to supply a long standing export market from Ethiopia.

What is the value of the export beans?

- Beans play a minor role on the international agricultural markets but are of tremendous importance globally for regional economies and food security.
- In Ethiopia, this market is a valued source of foreign exchange with an annual value in the range of \$25–30 million.
- Based on 2006 prices, guide incomes to the smallholder farmers from beans range from \$70 –\$150 per year. Given this level of production and income, it is clear that the benefits from bean production are being accrued by the poorest sector of the farming community. Hence any public and private sector investments that advance bean marketing will have highly ‘pro-poor’ benefits.
- There are good prospects for continued growth with the arrival of several major processing companies that are investing in the white bean sector.

What varieties are grown?

- The leading white bean varieties include Awash 1, Awash Melka and Mexican 142, all of which are small white beans. The white beans are often referred to in Ethiopia as white pea beans, due to their small size and round shape; they are otherwise known as navy beans.
- ACOS is seeking permission to begin multiplication of two additional white bean varieties. These are Avanti and Christod, and one red variety, McMillan. These varieties were developed for canning and are currently mainly grown in USA.

How much is grown?

- The main bean producing areas in the country are in the Rift Valley area, which runs diagonally across the centre of Ethiopia
- Despite growth in the bean markets there is little evidence of large-scale bean farming in Ethiopia and virtually all beans are produced on smallholder plots, with minimal inputs.
- The average farm size in Ethiopia is 1.5 ha. (World Bank 2006).
- Bean production in Ethiopia ranges widely from 100,000 – 200,000 tonnes per year. The wide range in yields is due to the considerable and regular losses that farmers suffer due to drought, which is a regular and severe event.

What production standards are in place?

- There is currently no definition of agronomic or post harvest best practice in place.

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