EXECUTIVE SUMMARY

Study purpose: Maize value chain Analysis study for Mecha District was conducted in November 2014 and update made in April 2016. The main purpose of the study was to conduct a value chain analysis study focusing on Mecha Woreda and to provide recommendations for intervention and leverage areas including business models to be implemented by the stakeholders to improve maize value chain competitiveness.

Methodology used: For the study a Participatory Value Chain Analysis was used as a leading framework in the secondary information review, instrument/tools preparation, data collection, and throughout the process. Focus group discussion, mapping, power and gender analysis and triangulation were done in consultative way for identification and verification. During the study both quantitative and qualitative data collection tools were employed.

Overall situation: Ethiopia is the top in East Africa and the fourth largest maize producer country in Africa. Maize is Ethiopia's leading cereal in terms of production with 6.4million tons. Amhara is one of the major producing regions in Ethiopia contributing about 25% of the national production. West Gojam is among the top zones in the country with a production of 7.8 million quintal per annum which is half of Amhara region production. Mecha Woreda is contributing 26.7%, 13% and 3% to West Gojam, Amhara and National maize production respectively. The national per capita consumption of maize has substantially increased during the last decade.

Maize in Mecha:

- **Production and post-harvest handling**: Maize covered 48% of the total area cultivated of Mecha Woreda. The producers are mainly small holder farmers with about 1.5 – 2 million Qt productions and recently two commercial producers are emerging in the area. According to the study estimate about 35% of the total maize produced in Mecha area is consumed at household level, about 57% of total production is supplied to the market.

- **Supply and Demand**: Next to household own consumption, local drink Areke producers are main buyers of maize from household farmers in the area. Buyers coming from other part of the country who purchased a significant volume from grain traders are also important buyers. Mixing maize with other crops like Tef is emerging as a practice in hotels and family groups in peri-urban areas due to price increase for Tef and other commodities. The total volume purchased by such type of consumers estimated about 30,000 Qt per annum. The feed (poultry and others) and food processing industries can be considered as emerging markets for maize and maize related products like starch, industry level alcohol, and food oil.

- **Chain Actors**: Input (seed, fertilizer and chemicals) suppliers, small holder farmers, collectors and traders, primary cooperatives and Merkebe Union (MU) are among the main actors in the maize value chain.

- **Supporters and enablers**: Regarding financial service, ACSI and CBE are active financial service providers in Mecha Woreda and they have given agricultural loan. There are commercial service providers like transporters and millers. The Agricultural Office, Cooperative Promotion office, Trade and Transport office are among the local public organizations which are providing support at Woreda level. Adet Research Center has a research station in Mecha and there are research trials that cover maize production. There are also many projects and NGOs which are working on maize in the area.

- **Profitability and value share**: With the current situation of high input cost and low output price, Maize production of smallholder farmers is not very attractive enterprise unless done

with high productivity. With existing practice if all major costs of farmers considered they can be profitable if they sell 1 Qt of maize for Birr 417 and above.

- **Upgrading strategy and recommendation**. A combination of product, process and function upgrading proposed for Mecha Maize value chain taking possible demand sink, local context, actors' strength and required time for transition. To make the strategies more concrete, proposed interventions are categorized as short term interventions and Medium and long term interventions. In the long term competitiveness and profitability is the critical areas with more wide demand sink options. For the short term, (i) Possible market based solutions (commercial business solutions) for some of the constraints; (ii) Short term systemic leverage interventions; and (iii) Preparatory works for medium term and long term interventions proposed for action.