

Executive summary

Background and Objective: Agro-Business Induced Growth programme is a bilateral agribusiness development program of the Ethiopian and Finish governments, which mainly operating in Amhara regional state. The programme first phase was implemented in Fogera and Mecha Woredas, that ended in 2017, the second phase is running for four and a half years until 2021. The second phase covers North Achefer, South Achefer, North Mecha, South Mecha, Bahir Dar Zuria, Dera, Fogera and Libo Kemkem Woredas. From livestock value chains, dairy, small ruminant fattening and poultry added and the project intended to address bottlenecks hindering producers, traders, processors, retailers and consumers to get the best value from their participation using the Value Chain Development Approach. The study conducted to assist actors in poultry VC to identify their business opportunities and competitive advantages, and to address the shortcomings that pose a risk for their business initiatives to prosper.

Methodology: The study used both primary and secondary data sources using Participatory Value Chain Analysis with Gender, Green and Governance Lens (PVCA+G3). For the primary data collection two sample Woredas (Bahir Dar Zuria and Libokemkem Woredas) taken mainly for the upstream actors. Conducted interviews and group discussions with actors at different segment of the value chain that includes small-scale producers, day old chicken growers, processors, supermarkets, hotels, different sector offices and experts from Kebele to national level. To assess the overall existing situation, Ethiopia and other countries trends and benchmarks thoroughly reviewed.

Value Chain Situation: Demand for poultry products-chicken meat and egg is expected to increase significantly through 2013-2028 according to the nation's LMP, mainly due to population growth, consumption pattern change and urbanization. The consumption level is estimated to grow, on average, to about 14.8 million kg of chicken meat and 105.7 million kg of egg in the years ahead. The study identified three poultry market segments on which more than 600,000 residents, and about 32 big hotels and many more restaurants.

Value Chain Constraints and Interventions: The main constraints identified in all segments of the VC includes shortage of medical supplies and limitations on timely health service, increasing feed price and quality feed supply, limited financial supply, less productive production management system, market seasonality and weak linkage, and exhibited poor coordination within the sector. To address the constraints, improving public and private health/vaccination service, supply of known parent stock/breeds for chicken meat and egg production, promotion of local poultry feed suppliers, train/demonstrate optimum use of feed mix and management, promotion of saving and credit groups, developing financial services, contextualized poultry housing construction technologies promotion, encouraging better market linkages, products collection and distribution arrangements, and promotion of shared public-private vision among the poultry industry actors in the region proposed as part of the interventions.

7. Recommendation/Interventions

TABLE 1. MAIN CONSTRAINT AND SHORT, MEDIUM AND LONG-TERM INTERVENTION MATRIX

Area/segment	Constraint	Short term proposed Solutions/Interventions	Medium and long term proposed Solutions/Interventions	Potential partner/lead organizations
Health Service	<ul style="list-style-type: none"> Timely health service provision Shortage of medical supply 	<ul style="list-style-type: none"> Improve health and medication service/vaccination in the areas by assuring effectiveness and timely service provision by public and private providers Enhance public animal health service delivery, better service incentive and accountability development Lobby and facilitate timely required critical medical supply Promote recognized private animal health service providers (refreshment training and recognition of service) 	<ul style="list-style-type: none"> Promoting local women and youth health service providers: women and youth in the area that have basic training in animal science or veterinary service or related field to engage in poultry commercial health service provision that may be expanded to other livestock health services. To be engaged in provision of the service gradually with start-up service and sale of appropriate vaccination/medicine for possible diseases like New Castel Disease (NCD), fowl cholera, fowl typhoid and infectious bronchitis. With backup service linked from experienced health service providers 	<ul style="list-style-type: none"> Livestock Agency at different level Trained private service providers
Breed Improvement	<ul style="list-style-type: none"> Known quality breeds and confirmed sex timely supply for meat and egg as per demand 	<ul style="list-style-type: none"> Assuring organized supply of known disease resistant breeds/reliable and continuous supply as per farmers demand (for meat, egg and dual) Enhance existing day old chicken supply system to make it more organized and efficient Enhance capacity of women and youth pullet suppliers: by strengthening existing and selecting more ready women groups for raising day-old chickens to 45 days to 5 months-old pullets to be sold to egg and chicken producers. Can be organized in clusters to facilitate peer learning, better supply and support. Provide appropriate practical training and will be linked with trusted day-old chicken suppliers. 	<ul style="list-style-type: none"> Known parent stock supply for meat and egg preferred breeds for local hatching Engage well trained and experienced youth groups in hatching and other inputs supply business 	<ul style="list-style-type: none"> Livestock office and private day old chicken suppliers (Ethio-chicken, Genesis, Alema and others)
Feed Supply	<ul style="list-style-type: none"> Feed price increase, farmers willingness to pay and feed quality; 	<ul style="list-style-type: none"> Local feed supply promotion: Engaging local miller or existing cooperative or youth groups or better performing poultry farms in the area for supply of poultry feeds with appropriate guidance for the feed mix using available feed sources in the area and appropriate supplementing vitamins. Train and demonstrate optimum use of feed and improved management systems 	<ul style="list-style-type: none"> Feed suppliers quality feed production capacity and distribution system development with business model refinement and facilitation of investment expansion Enhance production efficiency of feed mills by improving technical and business management, increasing scale of feed production through increased bulk contracting, increasing bulk 	<ul style="list-style-type: none"> Primary cooperatives or youth groups/associations or poultry farms; Livestock Agency at different level

Annex 2b. Extract from Poultry Value Chain Analysis assignment report by Paulos Desalegn (Aug 2018)

Area/segment	Constraint	Short term proposed Solutions/Interventions	Medium and long term proposed Solutions/Interventions	Potential partner/lead organizations
			<p>purchasing by cooperatives and farmers organizations and by increasing purchases of by products by feed manufacturers</p> <ul style="list-style-type: none"> • Lobby for better incentives from government in the feed industry and promote the business venture to potential investors 	
Financial Services	<ul style="list-style-type: none"> • Limited financial service 	<ul style="list-style-type: none"> • Promote saving and credit groups to mobilize starting capital for better scale poultry production at farmers level • Work with financial service providers for day old chicken growers, possible hatching business, feed suppliers, youth groups medium scale commercial poultry production 		<ul style="list-style-type: none"> • Credit and Saving Cooperatives; • MFI-ACSI and others/Credit and Saving Unions
Production	<ul style="list-style-type: none"> • Traditional management 	<ul style="list-style-type: none"> • Women friendly practical training approach (time, content and approach): simple trainings material preparation and delivery with consultation of women to decide the training place, time and duration of training to make it more convenient for them 	<ul style="list-style-type: none"> • Contextualized housing and sheltering technologies promotion and inputs access: by engaging local workshops fabrication and supply of average household poultry sheltering with affordable prices 	<ul style="list-style-type: none"> • Livestock Agency at different level
Collection and Market Linkage	<ul style="list-style-type: none"> • Market seasonality mainly for chicken 	<ul style="list-style-type: none"> • Encourage better market linkages, collection and distribution arrangements with peri-urban dwellers, nearby towns hotels and institutional buyers (Bahir Dar and Gondar university, hotel and restaurant owners in Bahir Dar and Gondar) and big traders in Bahir Dar • Awareness creation and encouragement of egg and poultry meat consumption at household level to improve the nutritional status 		<ul style="list-style-type: none"> • Trade, Industry and Market Development Office
Sector Coordination and Enabling Environment		<ul style="list-style-type: none"> • Promote shared public-private vision among the Poultry industry actors in the region 	<ul style="list-style-type: none"> • Work with sector actors to have shared vision and effective platforms for public-private dialogue for identified critical issues and facilitate coordination and collaboration between the various value chain actors in poultry value chain 	<ul style="list-style-type: none"> • Sector stakeholders