

Bringing agricultural inputs within reach of host and refugee communities in Gambella

— March 2023



The Gambella region in western Ethiopia holds significant agricultural potential due to the availability of arable land and water for irrigation. The region is home to pastoralist and agro-pastoralist households who largely rely on crops and livestock for subsistence. Despite favourable agro-ecological conditions agricultural yields are low and these households are vulnerable to food shortages and high livestock mortality rates.

Gambella is also home to approximately 380,000 refugees from South Sudan, housed across seven refugee camps. While refugees do not have the same access to land as host communities, many do keep small numbers of cattle and goats to supplement food rations and earn a small income. It is also common for refugees to keep small numbers of poultry in their backyards for meat and eggs. Small amounts of poultry are also sold in markets near the camps to generate income to meet other basic needs.



Unrealised potential to strengthen livelihoods and agriculture

Despite the importance and potential of agriculture in Gambella, the market for agricultural inputs, such as seeds and agrochemicals, as well as for veterinary drugs to control diseases among animals, has not developed.

When SHARPE started working in Gambella in early 2020, there were only two small agro-input shops (or 'agro-vets'). Both were in Gambella town and serviced people from across the entire state. This meant that essential inputs were out of reach for most rural communities in Gambella, including refugees who live in camps located up to 90km from Gambella town. Gambella-based agro-vets recognised the market potential of expanding to more remote locations but lacked cash flow to expand outside of Gambella town.

In addition to the agro-vet network being poorly developed, agro-vets lacked diversity in stock and did not have access to national-level input distribution

companies to expand their stock. Their ability to stock inputs was dependent on their monthly cashflow and the availability of inputs through cross-border trade, which was unreliable. National agri-businesses based outside of Addis Ababa did not recognise the potential market for their products in Gambella, and were not aware of the active retailers in the regional market.

In the absence of market access, some Gambella farmers received free handouts (seeds, veterinary drugs or agricultural tools) from NGOs or the Gambella Regional Government, but these were inconsistent and did not necessarily meet demand. For livestock, the Gambella Agriculture Department sold medicines and vaccinations at a subsidised rate, but supplies were limited. Similarly, NGOs handed out small quantities of seed, but this limited farmers in what, and how much, they could grow.



Key Challenges



Availability of affordable, quality seeds, agrochemicals, veterinary drugs and feed

Existing agro-vet retailers in Gambella do not stock many certified and high-quality inputs. Retailers are disconnected from reliable importers, wholesalers and manufacturers/processors that supply certified seeds, agrochemicals, veterinary drugs and animal feed.



Access to farming inputs for host communities and refugees outside the main market town

Agro-input retailers were in Gambella town, not in the rural areas where farmers need inputs. Organised distribution beyond the main town did not exist. Refugees must travel between 30 and 90km from their respective camps to access inputs from retailers in Gambella town, which means they cannot source drugs urgently if required. Refugees also face movement and, occasionally, security restrictions.



Limited knowledge and skills on agro-inputs and livestock drug use among farmers in Gambella

Host communities and refugees in Gambella possess limited knowledge of good quality inputs and how to use them. There is also limited, locally-accessible information. Agro-input retailers in Gambella often have little knowledge of the inputs they are selling, due to the disconnect from suppliers, hence are not able to advise their clients as required.

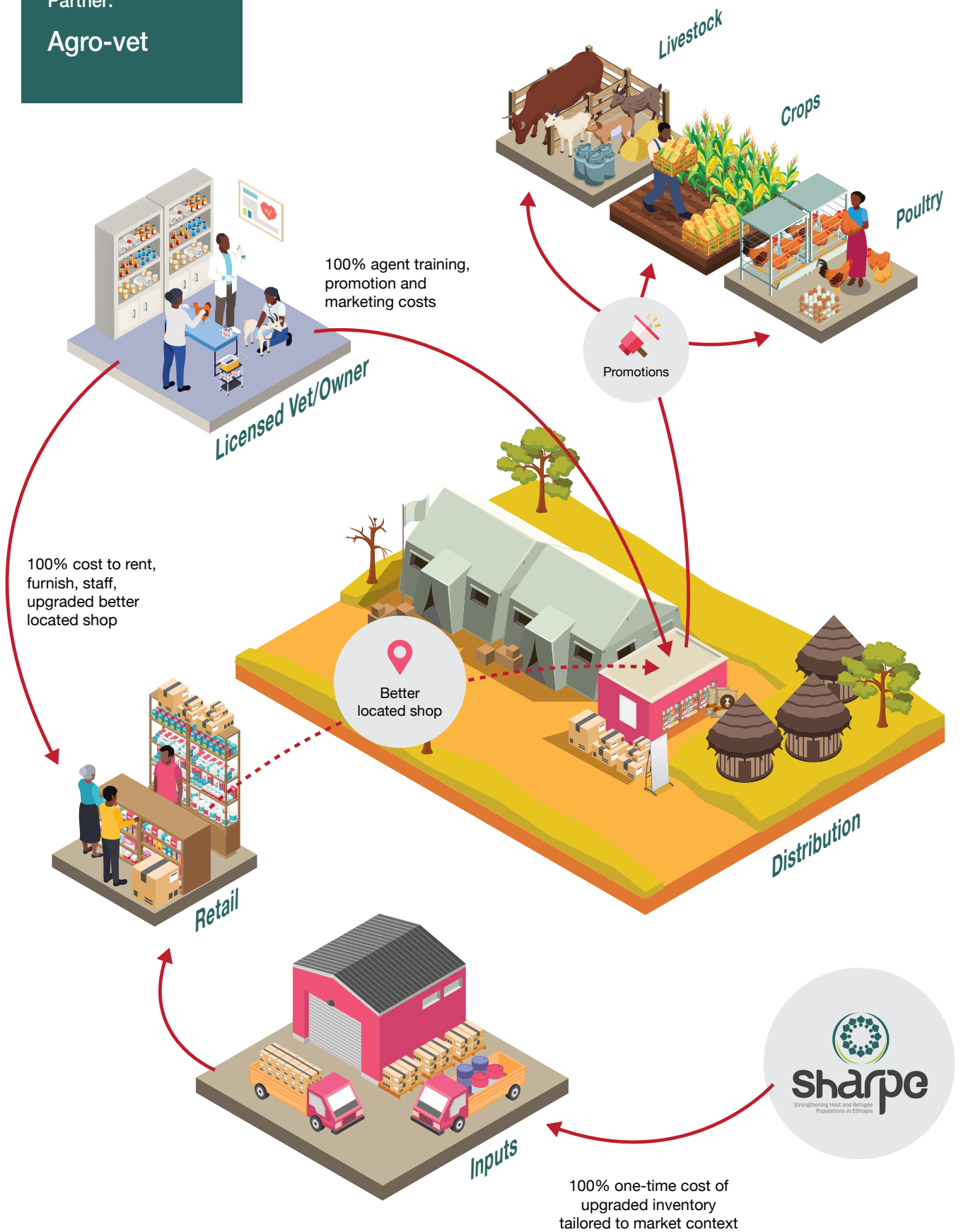




Partner:

Agro-vet

Business model





Recognising the potential to build a network of agro-vet wholesalers, retailers and agents in rural markets near refugee camps

After careful analysis of the region, SHARPE realised it could only create a sustainable input distribution system if the availability, accessibility and awareness of quality inputs among host and refugee farmers in Gambella was improved.



The first step to build a stronger agro-vet network in Gambella was to connect the two agro-vets from Gambella town with national-level input distribution companies.

SHARPE organised a business-to-business workshop in which eight national agri-businesses had the opportunity to interact directly with agro-vets from Gambella and the Somali region (which faces comparable challenges). Through this linkage, national input companies began to recognise Gambella as an emerging market segment for their products and the local retailers were able to establish a more formal and organised sourcing channel for quality inputs. The direct linkage also helped local retailers to establish feasible sourcing terms with national distributors, such as credit payments and periodic sourcing schedules. This removed capital constraints, allowing them to maintain adequate stock in their shops.



SHARPE partnered directly with new and established agro-vets in Gambella to expand shops and stock and bring agro-vet sales to rural areas and closer to refugee camps.

SHARPE partnered with the two existing retailers in Gambella town to increase their shop capacity (space) so that they could increase stock quantity and variety of inputs in order to serve a larger number of clients.

SHARPE also partnered with Community Animal Health Workers and traders to establish four new agro-vet retail points in rural locations that are more convenient for both host and refugee communities – in Terfam market, close to Tierkidi; Kule and Nguenyiel camps which, together, house more than 220,000 refugees; Lare town centre, within 25km of Kule camp; Bonga, 15km from Jewi camp; and in Abobo to cater for host community and refugee clients.

Simply bringing inputs closer to clients, however, was not going to be enough if surrounding farmers were not aware of their existence. SHARPE therefore supported the promotion of these shops through branded banners and posters placed outside the respective retail points. Through this step-by-step approach, host community and refugee farmers in the region could access quality inputs from retail points close to their location, including agri-inputs and veterinary inputs.

SHARPE is now working with two of the better performing agro-vet retailers to establish them as wholesalers for the Gambella market. As wholesalers, they supply agro-vet inputs to the new sales outlets as well as to NGOs and local government bodies for distribution as needed.



SHARPE partnered with Shayashone, a leading agribusiness company based out of Addis Ababa, to expand its distribution network for agri-inputs to Gambella and the Somali region. This includes veterinary drugs, poultry pre-mix, vegetable seeds and improved grain storage bags, known as PICS bags, which reduce post-harvest losses by up to a third.

Through the partnership, Shayashone intends to build the capacity of the local SHARPE-supported agro-vet distributors to offer advisory services on the benefits and use of quality inputs among smallholder farmers. Shayashone will also support the two wholesalers to provide a quality service to their clients. This will enable host and refugee communities in the region to have consistent access to quality agriculture and veterinary inputs.



SHARPE's partnership with agro-vets in Gambella



Results to date¹



Four national agro-businesses supply agricultural and veterinary inputs to retailers in Gambella.



The **two pre-existing agro-vets**, Wasihun and Fasika, expanded their existing shops in Gambella town, with four new agro-vets now operational in Terfam, Bonga, Abobo and Lare. Sales across these retailers have grown steadily over time, and net revenue increased by **GBP 95,800 (ETB 5,941,100)** from additional veterinary and agricultural input sales.



646 host households and **281 refugee households** were able to save **GBP 17,000 (ETB 1,052,650)** in transportation costs as they could purchase veterinary inputs from retail points closer to home.



2,359 host households and **874 refugee households** were adequately able to treat their livestock before serious illness or fatalities due to readily available, quality veterinary inputs. This meant they lost less cattle to disease and have collectively saved a total of **GBP 957,500 (ETB 59,359,884)** in one year.



1,977 host community households and **1,820 refugees** received agri-inputs (seeds and fertilisers) from NGOs sourcing from SHARPE-supported agro-vet retailers in Gambella.



One agro-vet retailer (Fasika) expanded its operation and set up a further sales point near a second refugee camp (Pugnido) with the support of Mercy Corps.

¹ The sales and impact figures are calculated based on the progress made by the agro-vets to date, this includes four sale points operational for 18 months, while the other two sale points have been operational for around a year. The overall sales and customers for these sale points are likely to grow over time.



Wasihun Edosa describes himself as a 'pioneer' of the agro-vet business in Gambella. He opened his shop in Gambella town five years ago and, at the time, was the only supplier of veterinary medicine in the region. He has since opened two more shops (one in Terfam market near Tierkidi refugee camp, and another in Akula) in response to high demand from pastoralist and agro-pastoralist refugee and host communities in these more remote regions. By establishing in these more remote areas, Wasihun's business connects more farmers to trained agro-vets and services. Wasihun has been involved in two partnerships with SHARPE, first as a retailer and then as a wholesaler. In response to an apparent increase in local awareness and demand for better-quality agro-inputs, four other agro-vet shops have opened up in Gambella town. For Wasihun, this is a positive development as he can now collaborate and cost-share with other business on services such as transport from Addis Ababa.

A veterinary science graduate, Wasihun observed a gap for veterinary medicines in the local market. Using his savings, he purchased veterinary medicines and agricultural products and opened his first shop. Through the partnership with SHARPE, he received support for a year's rent, shop refurbishment, a refrigerator and icebox for vaccine transportation, and technical support from Addis-based agro-vet wholesalers. He opened the second two shops three years later, an investment that has paid off with the Akula shop now generating the most revenue. Wasihun reports that up to 70% of his customers are refugees.



I was previously working as a Community Animal Health Worker. I would purchase veterinary supplies from Wasihun's agro-vet shop in Gambella and then sell them to livestock owners in the villages. I knew that there was a big market for veterinary inputs in the Terfam market centre, but I did not have the resources to set up a shop there. Through the partnership with SHARPE, I was able to set up a retail point in Terfam with a sourcing arrangement with Wasihun. My business continues to grow, and I am now ordering from Wasihun twice a month. During summer I can order as much as four times a month as the prevalence of livestock disease is high. Before I only ordered an average of once a month. Around 40% of my clients are from refugee camps and they are now always able to get what they are looking for from my shop.

Muhammed Kebir, Wasihun agro-vet shop, Terfam market



I have a herd of 20 cattle and I primarily depend on cattle-rearing to meet my family's day-to-day needs. In Gambella, it is common for cattle to be affected by a skin disease which requires urgent treatment. Before this agro-vet shop opened in Terfam, I had to travel one day to reach Gambella town to purchase the necessary medication. By the time I came back it was sometimes too late to treat my cattle. I lost 10 animals last year to disease. This year, I have lost no animals to disease. This is because I visit this agro-vet shop in Terfam close to my home every month and am easily able to get the required medicine and use it the same day. I am now planning to increase my herd. I am also able to get advice on how to prevent disease.

An agro-vet client of Wasihun in Terfam market





SHARPE's work with agro-vets in Gambella, Jijiga and Dollo Ado convinced us there is enough appetite in the host and refugee markets for our products and services. We have now signed a partnership with SHARPE, through which we will be able to further raise the capacity of these agro-vets to become regional distributors for our products. In Gambella we are particularly keen to promote our PICS bags for reducing post-harvest losses for farmers, while pushing poultry vaccines and vegetable seeds for customers in all three regions. Without SHARPE's work on expanding the agro-vet network, our ability to enter the market would have been much slower – the existing, growing network serves as a steppingstone for our business.

Ephrem Gebre Meskel, Shayashone Agribusiness Manager



Lessons learnt



Dynamic regional businesses, such as agro-vets, play a pivotal role in driving market development in the region. These businesses exhibit a commitment to sustained growth through continuous investments in expansion, while also serving as active participants in the local community by employing traders and extension agents.



While there is cross-border trade, there remains a strong demand for high-quality agricultural and veterinary inputs. Establishing business linkages with trusted input distributors was crucial for creating sustainable regional input solutions that meet the needs of hosts and refugee farmers.



In Gambella, the ability to purchase veterinary inputs yields a substantial impact and helps to build resilience of pastoralist communities. Households who can access veterinary medicines report significantly lower livestock mortality rates and healthier, more productive animals. This is especially critical for a population whose livelihoods rely on their livestock herds, as the absence or lack of access to veterinary inputs may perpetuate a cycle of poverty.