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COMPENDIUM OF AFRICAN TRADE-RELATED SUCCESS STORIES AND CASE STUDIES





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ABOUT THIS PUBLICATION

This compendium includes success stories and case studies produced by implementers of USAID's Africa Global Competitiveness Initiative and complements the compendia published by AGCI in 2008 and 2009. It highlights specific examples of successes that USAID programs have achieved in Africa, from reducing red tape and costs associated with trade, to forging partnerships with farmer organizations, facilitating access to finance, and attaining new visibility in the global marketplace. Many of these success stories have been generated by the four African Global Competitiveness Hubs—located in Accra, Dakar, Nairobi, and Gaborone and managed by USAID's regional missions in West, East, and Southern Africa.

Photos above

Left: AfricaNow! is an innovative collaboration of modern home décor and accessories celebrating the fusion of African art and life. Inspired by authentic African cultures with a contemporary influence, products include contemporary and traditional jewelry, accessories, home textiles and furnishings, whimsical holiday ornaments, baskets, wood, ceramics, and more.

Photo: West Africa Trade Hub

Right: Under the banner: "Grown Under the Sun: Africa Flowers," 14 companies participated in the 2009 Super Floral Show in Atlanta. This included three companies from Ethiopia, eight from Kenya, one from Mauritius, and two from Tanzania. Heads of each country's horticultural association representing a variety of cut flower exporters also attended.

Photo: USAID COMPETE Project, East Africa

Cover photo: Women hand weed fair trade cotton in Medina Yoro-Foula Village, Senegal.

Photo: Croissance Economique Project

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BUSINESSWOMAN GAMBLES ON BETTER FUTURE

CASHEW PROCESSOR SEEKS GLOBAL DEMAND AND LOCAL PROFITS



Awa Beve (front left) and her employees peel and sort cashew kernels
Photo: J.E. Austin

Prices for cashews have hit a 10-year high in West Africa, and Awa Beve, president of the Beye Counda Economic Interest Group, could not be happier. In 2006, she took a gamble, left a textile business, and decided to try cashew nut processing in Senegal's cashew-rich Casamance region.

"I saw Indians coming to buy nuts to take back to their country for processing, and thought why can't I do that?" Beve said.

India is the top global producer of cashews, as well as the number one destination for processing, which involves cracking, peeling, grading, and packaging the nuts before they are shipped for retail worldwide.

While West Africa is one of the world's major exporters of raw nuts, with overall sales of about \$300 million in 2007, experts say the region could earn up to 50 percent more if nuts were processed locally.

With \$4,500 in savings, Beve bought one machine to shell nuts, and launched her business with two daughters and a cousin. The only problem was that the cashew business was very different from dyeing cotton and textiles, which she had done for 25 years.

With the help of a USAID Economic Growth Program trainer, she learned the basics:

- Do not pluck nuts from the tree
- The best nuts that get top dollar have to ripen and fall
- Collect the fallen nuts within 24 hours before insects attack
- Separate the hot pink and juicy fruit from the nut so it will not dampen and discolor the nut
- Dry the nuts in the sun for up to three days
- Do not store the nuts in plastic, as that can trap moisture and ruin them.

Once her business was under way, USAID bought Beve two more machines worth more than \$250 each. In two years, she increased her production rate of shelled raw nuts four-fold. At the peak of the harvest, up to 20 employees help her, earning about \$130 a month.

USAID also helped negotiate Beve's first contract with a Gambian company that agreed to cover her up-front production costs, which they deduct from her exports. She estimates she sold about one ton of processed cashews in 2007. Beve has made back her leap-of-faith investment, doubling her funds to about \$9,000.

Beve plans to continue her nut processing business and hopes it will keep growing. "If there are people from Asia coming for our nuts, why shouldn't I do something if I am already here?" she said.

With the change in U.S. textile import rules, there is an urgent need to develop regional sourcing arrangements like this one if African firms are to continue to benefit from trade preferences.

My USAID advisor has been with me since day one, from when I apprenticed at another cashew processing company in Ziguinchor, to when I started my own business. I am still learning," said Awa Beve president of the Beye Counda Economic Interest Group.

SOURCE: Senegal Mission
http://www.usaid.gov/stories/senegal/ss_sen_cashew.html

IMPROVING CONNECTIVITY BETWEEN TANZANIA AND MALAWI

LAUNCH OF RADDEX AUTOMATIC ELECTRONIC TRANSMISSION TO DECREASE TRANSIT DELAYS

Although the introduction of the Single Administrative Document (SAD 500) was a major step in trade facilitation in Southern Africa, lack of direct exchange of electronic information between border posts continued to negatively affect transit times.

As part of the ongoing effort to modernize customs throughout Eastern and Southern Africa, a need was identified to introduce information and communications technology solutions. These solutions are aimed at streamlining cumbersome customs and trade facilitation procedures, thereby reducing delays in cargo clearance and transit times while working toward a paperless, communicating, fully accountable, and reportable trading environment.

The Malawi Revenue Authority and the Tanzania Revenue Authority have both decided to implement the *Revenue Authority Digital Data Exchange System (RADDEX)* to reduce delays at their border crossings.

SOURCE: Southern Africa Regional Mission
http://www.satradehub.net/index.php?option=com_content&task=view&id=663&Itemid=791



The Southern Africa Trade Hub facilitated the official launch of the Revenue Authority Digital Data Exchange System (RADDEX) Live Electronic Data Interchange between Malawi and Tanzania in Blantyre, Malawi in January 2010.
 Photo: Southern Africa Trade Hub

The RADDEX software is a tool of trade facilitation. It is software designed to work in a low-connectivity environment utilizing minimal bandwidth. RADDEX transmits customs declaration data, in near real time from the point of initial lodging, through all affected transit points, to the final destination. This automatic electronic transmission directly results in decreased transit delays through provision of advance notification, facilitation of pre-lodging, elimination of duplicate data entry, and risk analysis.

Malawi and Tanzania requested technical assistance from USAID's Southern Africa Trade Hub, which in partnership with the USAID COMPETE Program based in Kenya facilitated the development and implementation of RADDEX. This was done through a series of meetings, technical workshops, and training sessions resulting in:

- The establishment of a bilateral operational agreement
- Installation and customization of RADDEX software at the Malawi Revenue Authority
- Extensive testing and training of ICT technical staff.

The launch of RADDEX is a manifestation of the commitment that the Malawi and Tanzania Revenue Authorities have to promote bilateral and intra-regional trade. This will greatly contribute to more efficient and paper-free processes as well as creating a transparent trading environment.

KENYAN WIDOWS REAP PROFITS WITH MAIZE SALES

MARKETING MODEL LINKS SMALLHOLDER PRODUCERS TO LARGE-SCALE BUYERS AND PROCESSORS



Christine Nyogi (center), chairperson of the Koptigei Widows Group displays the bill of sale from the World Food Program for the sale of 100 metric tons of maize.

Photo: USAID East Africa/COMPETE

For the Koptigei Women's Group, the benefits are substantial: A beaming Ms. Nyogi explained, "I am happy. I will be able to take my children to school."

Four years ago, life was a struggle for Christine Nyogi of Kenya's Trans Mara District. She had lost her husband to HIV/AIDS and could not afford to send her children to school. To help cope, Christine and other local widows formed the Koptigei Widows Group. After a few years, the 89 members decided to try to support themselves by growing and selling maize.

But the women lacked marketing skills. Most farmers sold their maize to middlemen who sold the maize to traders and processors at a higher price. If the widow's group sold directly to a buyer, they could make more money.

USAID/East Africa's Competitiveness and Trade Expansion program (COMPETE) has been working since April 2009 with farmer organizations and humanitarian relief agencies to forge partnerships that promote access to markets for smallholder farmers like those in the widow's group. The Cereal Growers Association—a COMPETE grantee—works with farmers organizations to help them register so that they can conduct business and sell crops directly to buyers such as the World Food Program's Purchase for Progress initiative.

With COMPETE's support, the Association provided training to the Koptigei Women's Group on business skills, cleaning and drying maize and weighing and measuring moisture to meet standards set by Kenya's National Cereal Produce Board.

The Association linked the widows group to the World Food Program who signed a contract with them to buy 250 metric tons of their maize over the next year.

On October 23, 2009, Christine Nyogi, now chair of the Koptigei Widows Group, received a cheque for 2.6 million Kenyan Shillings (or approximately \$35,000) from the World Food Program for 100 metric tons of maize—the first purchase installment. The maize will be distributed by the World Food Program among drought-affected communities within Kenya.

The Koptigei Widow's Group is a marketing model for linking smallholder producers directly to large-scale buyers and processors. This model will now be replicated by COMPETE's partnership fund grantee, the Cereal Growers Association, in thirty villages across East and Central Africa over the coming year.

SOURCE: East Africa Mission
<http://eastafrica.usaid.gov/en/Article.1263.aspx>

COMPUTERS IMPROVE COMMERCE



Facoumba Guèye, left, explains how information technology can help clothing merchant Omar Fall increase efficiency and profits.
Photo: USAID/Richard Nyberg

Through the Digital Freedom Initiative, USAID works together with leading U.S. companies to promote economic growth for entrepreneurs and small businesses in developing countries through information and communications technologies

Facoumba Guèye works her way through the colorful, crowded streets surrounding Dakar’s bustling Sandaga Market. Dodging into shops, she waves to merchants who have seen her often as she drums up support for technology and the Internet.

As a volunteer with the USAID-sponsored Digital Freedom Initiative, her task is to show shop owners how computers and the Internet can increase efficiency and sales.

Facoumba encourages merchants to drop by Cyber Louma, a USAID-supported Internet café just around the corner that trains entrepreneurs in everything from spreadsheets to sourcing new markets or suppliers online. It is becoming a popular place to do business.

For Abdoul Aziz Fall, a construction materials wholesaler, access to the Internet has helped improve his business prospects. “Cyber Louma was my first contact with a computer. The local volunteer helped me to open an email account and find information on the Internet.” His latest quest at Cyber Louma was to find cheaper fans.

Mamadou Guèye, a tile trader who imports from Italy, also learned about computers at Cyber Louma. He is convinced they can save time and improve efficiency. “I’m now planning to arrange a space in the shop to build an office and buy a computer to better manage my business,” he said.

The initiative’s reach extends far beyond this market street. In 2005, USAID helped more than 70 people find jobs and trained employees from 360 enterprises. With a team of 92 volunteers from Senegal, the Peace Corps, and other international organizations, the initiative has also trained 302 entrepreneurs nationwide to better manage their businesses.

SOURCE: Senegal Mission
http://www.usaid.gov/stories/senegal/pc_sn_computers.html

USER PAY PRINCIPLE FOR CORRIDOR SUSTAINABILITY

IMPLEMENTATION TO BENEFIT DAR ES SALAAM CORRIDOR SECRETARIAT AND REDUCE TRANSPORT COSTS

The Dar es Salaam Corridor Committee is a public-private partnership entity involving **Malawi, Tanzania, and Zambia**. It facilitates trade by reducing transport costs and transit times along the corridor, which connects markets from the port of Dar es Salaam in Tanzania to Malawi, Zambia, the Democratic Republic of Congo, and the rest of Central and Southern Africa.

The basic tenet of the User Pay Principle is that those who benefit from the corridor should pay for the support of the Corridor Management Institution. The benefits derived as a result of the work of the Secretariat must exceed the fees paid to ensure an overall reduction of transport costs along the corridor.

SOURCE: Southern Africa Regional Mission
http://www.satradehub.net/index.php?option=com_content&task=view&id=666&Itemid=807



The user pay principle is based on tonnages conveyed on the corridor for each country, average distance from the port to destination, and the targeted amount to be collected.

Photo: Southern Africa Trade Hub

The Committee Secretariat operations are currently funded from voluntary contributions by some members. However, the contributions are not made regularly, thereby affecting Secretariat operations.

In an effort to identify other viable funding options, a Southern Africa Trade Hub study conducted in 2008 recommended the need for the Committee to create an enabling environment for the implementation of the user pay principle. The Committee agreed to adopt the user pay principle for sustainable funding of the Secretariat in November 2008.

The user pay principle, which is based on usage fees per ton, is a mechanism that can be applied to any corridor for the sustainable funding of the Corridor Management Institution.

In the case of the Dar es Salaam Corridor, it can be demonstrated that the Secretariat operations provide a net benefit of at least \$10 million a year to corridor shippers through reduction in trucks stops that cost between \$200 and \$300 per truck per day.

Following the adoption of the Southern Africa Trade Hub study recommendations, a mechanism to determine the user pay fees has since been agreed. This is based on tonnages conveyed on the corridor for each country, average distance from the port to destination, and the targeted amount to be collected.

At its February 2010 meeting, the Dar es Salaam Corridor Executive Committee agreed to implement the user pay principle with effect from July 1, 2010.

FIVE CHALLENGING YEARS BUILD A BUSINESS

BURKINABE BUSINESSWOMAN MINATA KONE STARTED WITH ‘A LOT OF PROBLEMS’ FOR WHICH THE TRADE HUB HELPED HER FIND SOLUTIONS



The Sotria-B company in Burkina Faso is succeeding thanks to technical assistance and expert consulting from the Trade Hub. Minata Kone, [background in pink], discusses business with an international buyer. Photo: West Africa Trade Hub

A cashew processor in Burkina Faso is exporting tons of cashew kernels every month, employing hundreds, and generating revenue. It wasn't easy, but with assistance from the Trade Hub and the African Cashew Alliance, her company is succeeding.

Five years ago, Minata Kone's cashew processing company in Burkina Faso had a handful of employees and scarcely a business plan. The company, Sotria-B, had no buyers for its product and no loans to buy raw cashew nuts.

"She had the wrong machinery and then ordered the wrong packaging machine," recalled Trade Hub Director Vanessa Adams. "It all looked rather hopeless."

"I had a lot of problems," Kone said. "Quality was one. I didn't have any technical assistance—there was no one to tell me, 'This is good but this is not so good.' And there were no buyers at all."

What a difference five years can make. Today, Sotria-B is exporting one container of raw cashew kernels monthly—almost 16 tons—thanks to the work of 330 employees, mostly women, cracking the raw nuts. With Trade Hub assistance, Kone obtained a loan to buy the raw cashew nuts that abound in Burkina Faso. Kone has linked up with two other women entrepreneurs in Burkina Faso to expand production to two containers a month.

And Kone is now the president of the Burkina Faso chapter of the African Cashew Alliance, an industry group co-founded by the Trade Hub in 2005 with 22 members and now thriving with more than 100. The Alliance held its fourth annual conference in Abidjan, Cote d'Ivoire in September 2009, where more than 230 industry stakeholders discussed the main issues affecting cashew production, from tree yields

to financing, processing, and marketing.

Participants also heard about the African Cashew Initiative, a \$50-million project the alliance helped plan that will increase farmers' incomes, tree yields, and the marketing of cashew internationally. The Trade Hub is home to the Alliance secretariat.

“The Trade Hub connected me to all the buyers and the entire industry,” Kone explained. “And they put me in touch with banks and helped me improve quality and find packaging. It’s been quite remarkable.”

SOURCE: West Africa Trade Hub
<http://www.watradehub.com/products/cashew>

FACILITATING TRADE IN THE SADC REGION

USAID'S SOUTHERN AFRICA TRADE HUB IS NOW ONE OF THE PREFERRED FACILITATORS OF WTO FACILITATION NEEDS ASSESSMENTS IN THE SADC REGION



Training in Trade in Services Negotiations.
Photo: SAGCH

Between 2008 and 2010, the Trade Hub successfully facilitated nine SADC member states World Trade Organization (WTO) Trade Facilitation Needs Assessments. The trade facilitation support consisted of both technical and financial assistance.

- The objective of WTO Trade Facilitation Needs Assessments is to:
 - Identify trade facilitation needs and priorities of the country
 - Where feasible, determine the resource implications of implementing proposed trade facilitation measures under the WTO trade negotiations
 - Determine the country's capacity to implement trade facilitation measures that would derive maximum benefits.

Work on WTO Trade Facilitation Needs Assessments provides an effective link between developing country participation in multilateral trade negotiations and the identification and prioritization of technical assistance necessary for facilitating their trade.

To date, the Trade Hub has successfully facilitated WTO Trade Facilitation Assessments in Swaziland, Zambia, Lesotho, Mozambique, Angola, Malawi, Seychelles, Botswana, and Namibia.

Trade Hub support involves using the WTO Trade Facilitation Tool to assess the state of the facilitation in light of the proposals in the WTO Negotiating Group on Trade Facilitation and assessing the technical assistance and capacity building needs associated with effective implementation.

Increasing transparency, simplifying, standardizing, and modernizing import and export procedures, as well as improving the conditions for transit represent the essential substantive areas of trade facilitation.

SOURCE: Southern Africa Regional Mission
http://www.satradehub.net/index.php?option=com_content&task=view&id=664&Itemid=792

U.S. BUYERS LOOK TO SOURCE AFRICA AS AN EMERGING BRAND FOR QUALITY AFRICAN APPAREL



Buyers discuss potential orders with Rwandan firm UTEXRWA at the MAGIC apparel trade show
Photo: COMPETE

Africa is seen as an emerging source location and a viable alternative for buyers wishing to diversify or shift production from Asia. After several years of participating in this trade show, perseverance is paying off.

Eighteen African firms exhibited clothing and accessories at the MAGIC apparel trade show in Las Vegas, Nevada in September 2009, as part of Source Africa Pavilion, a collaborative effort of the USAID Competitiveness and Trade Expansion Program (COMPETE) East and Central Africa Trade Hub, the Southern Africa Trade Hub, the West Africa Trade Hub, and Enterprise Mauritius. Source Africa Pavilion exhibitors came from Ethiopia, Rwanda, Kenya, Mauritius, Madagascar, South Africa, and Cameroon.

MAGIC is the largest trade show of its kind in the United States. Held twice yearly, it hosts global buyers and sellers of apparel, footwear, accessories, and sourcing resources.

The 2009 show generated over 300 leads for the participating companies. Exclusive matchmaking sessions were arranged with high-profile brands like American Eagle Outfitters, JC Penney, Coldwater Creek, Urban Outfitters, Orvis, and Abercrombie & Fitch.

Kenyan company United Aryan Ltd. attracted the interest of several buyers with its promotion of ladies skinny jeans offered at prices well below those of Chinese manufacturers. UTEXRWA from Rwanda sealed a deal with a major U.S. restaurant supplier to produce thousands of placemats. TSI Sportswear, one of the top ten licensees for U.S. collegiate sportswear, is placing a large order with Ethiopian firm Almeda for T-shirts.

Africa is seen as an emerging source location and a viable alternative for buyers wishing to diversify or shift production from Asia. After several years of participating in this trade show, perseverance is paying off. Source Africa has become a serious brand name at MAGIC. Thousands of buyers attending the show were able to see what African firms had to offer.

The USAID COMPETE project works across East and Central Africa, in collaboration with regional economic communities such as the Common Market for Eastern and Southern Africa to reduce barriers to trade and help African companies become more competitive in the regional and global marketplace. COMPETE's overall goal is to increase the value and volume of trade from East and Central Africa by 30 percent.

To gear up for this event, the COMPETE ECA Trade Hub engaged a textile expert to work with promising apparel manufacturers in Ethiopia, Rwanda, and Kenya to improve the technical aspects of production from uniform stitch length, to fabric dyeing, to fabric finishing meeting exacting standards for international orders.

SOURCE: East Africa Mission
<http://eastafrica.usaid.gov/en/Article.1245.aspx>

CHANGING THE MENTALITY IS THE FIRST STEP

CAMPAIGNS RAISE AWARENESS OF ROAD HARASSMENT—PUTTING PRESSURE ON AUTHORITIES TO TACKLE THE PROBLEM



In Mali, civil society groups helped drivers and others voice their displeasure with the numerous checkpoints littering the nation's roads—roadblocks to economic development.

Photo: West Africa Trade Hub

Raising awareness of road harassment is the first step to resolving the problem. People are increasingly seeing the problem for what it really is: A huge barrier to West Africa's economic development.

Campaigns to raise awareness of road harassment—supported by USAID's West Africa Trade Hub—in are helping to change attitudes on the topic four West African countries: Burkina Faso, Ghana, Mali, and Togo. And that is leading to real, even if modest, reductions in the number of checkpoints along primary trade corridors.

In September, the Government of Mali eliminated a checkpoint along the road connecting its capital, Bamako, to Ouagadougou, the capital of Burkina Faso. Campaigns, implemented by civil society groups, held public debates, designed, and put up posters, and spoke out on road harassment on newscasts, radio broadcasts, and in the newspapers. They told the story of how, at numerous checkpoints along primary routes, customs, police, and gendarmes, among others, extort bribes from drivers and delay trucks for what adds up to hours on trips from coastal ports to landlocked capitals and vice versa.

The campaign was welcome by transport industry stakeholders from importers and exporters to trucking company managers.

"First you have to change the mentality," said François Agbagli of Trans Alloman, a trucking company in Togo with more than 100 trucks operating regionally. "When you can talk about something, then you have some hope of changing the behavior."

For Peace Adonsou's membership—she is the president of the Tomato Sellers Association of Togo—the campaigns spoke directly of a problem that effectively hurts their bottom line and their ability to compete.

"We're selling a perishable food product," she said during an hour-long TV show that reached millions of Togolese. "So, we can't waste time at checkpoints. Sometimes, we lose three or four hours and with the sun shining, the produce gets hot and starts to spoil. By the time we get to Lome, it's a big loss."

SOURCE: West Africa Trade Hub
<http://www.watradehub.com/activities/success>

FAIR TRADE COTTON BECOMES SOCIAL HARVEST

SUCCESS OF PROGRAM FUNDS COMMUNITY ACTIVITIES



Hand weeding of fair trade cotton in Medina Yoro-Foula (Kolda, Senegal)
Photo: Croissance Economique

In Senegal, farmers of fair trade cotton earned an extra \$2.7 million in 2008 over the minimum price paid for cotton in 2008.

SOURCE: Senegal Mission
http://www.usaid.gov/stories/senegal/ss_sen_cotton.html

It sounds like a fairy tale: a farmer sows a seed gently in the earth, and then watches it grow into a classroom, mills, school supplies, and cereal banks. But more than a rural fable, this has been the social harvest for communities in southern Senegal growing fair trade cotton during the past five years.

Faced with the rising cost of growing conventional cotton, and ever-shrinking profits, Senegal's national cotton trade association, Society of Development and Textile Fibers (SODEFITEX), looked to fair-trade cotton starting in 2003 for some relief. Five years, almost 11,000 hectares of fair trade cotton and more than 15,000 certified producers later, SODEFITEX and USAID are working to strengthen and expand Senegal's fair trade cotton producer network.

USAID facilitated several activities related to cotton through SODEFITEX, including training promoters how to sell the product and working with producers—175 of whom are women who harvest seed cotton—and how to fight contamination. USAID also provided training manuals that address issues of organic and fair trade crop systems.

To earn the fair trade cotton label, producers agree to standards that ensure an environmentally friendly product, including avoiding genetically modified seeds; limiting the use of pesticides; enriching the soil; practicing crop rotation and hand picking; and reducing the use of chemicals. Producers also agree to

invest a percentage of cotton proceeds back into the community. In return, fair trade cotton producers get better prices. In Senegal, they earned 42 percent more than their conventional cotton colleagues, or about \$100 more per hectare, in 2007. A third of these proceeds are then invested back into the community.

Since 2003, SODEFITEX has reported almost \$43,000 in fair trade-funded community investments, including cereal banks that stockpile the previous year's harvest to help feed communities during the lean seasons, and new classrooms to alleviate some of the overcrowding in the schools.

Magnang Niang, a manager with SODEFITEX, says fair trade returns are not only bricks and mortar improvements. "The committee structure, oversight, and monitoring required for fair trade certification and cotton cultivation improves social cohesion, reinforces leadership capacity, improves transparency [of cotton operations], and accords a prominent management role to women," he said.

And of course, there are the financial rewards. In Senegal, revenue for 2008's fair trade cotton harvest earned farmers an extra \$2.7 million dollars over the minimum price paid for cotton, of which \$1 million goes to their communities—a nice modern twist to the classic fairy tale ending.

THE SWEET SMELL OF SUCCESS

AFRICAN WOMEN ATTAIN INTERNATIONAL CERTIFICATION AS SPECIALTY COFFEE JUDGES



Mbula Musau, newly certified World Barista Championship Judge, at a coffee cupping competition in Burundi.

Photo: RATES/COMPETE

The World Barista Championship (WBC) Judges Certification Committee carries out certification workshops around the world every year to certify judges for the annual World Barista Championship. The first-ever judging workshop in Africa was held in Nairobi, Kenya on March 20–21, 2009.

Out of 14 candidates, only three passed the intensive two-day training and examination program. All three are women and are certified as WBC judges in the Sensory category. They are Erina Nigrini

SOURCE: East Africa Mission
<http://eastafrica.usaid.gov/en/Article.1221.aspx>

representing Stil Coffee of South Africa, Teija Lublinkhof of Marika's Coffee in Zambia, and Mbula Musau from the East African Fine Coffees Association (EAFCA) Secretariat in Uganda.

Mbula Musau is no stranger to the coffee industry. Mbula is the Quality and Marketing Manager for EAFCA and is a qualified cupper and Barista trainer with more than 10 years of experience in Africa and Latin America. EAFCA is the regional trade association for specialty coffee growers and, with help from USAID's Competitiveness and Trade Expansion Program (COMPETE) and USAID's predecessor program, the Regional Agriculture Trade Expansion Support Program (RATES), EAFCA has focused its core mission on developing the quality and marketing of specialty coffees.

RATES/COMPETE brought in the Coffee Quality Institute (CQI) to work hand in hand with EAFCA on training staff in assessing quality coffee. CQI is the educational arm of the Specialty Coffee Association of America (SCAA). CQI believes that the coffee industry's quest for quality starts with certified professionals who stand by their senses. John Sanders of Hines Coffee, a CQI volunteer, worked with Mbula Musau to strengthen the institutional capacity at EAFCA, training Mbula in coffee grading and assessing coffee quality. The national efforts of CQI and RATES/COMPETE have resulted in an expanded knowledge base of African coffee professionals who can

assess, cup, and grade coffee according to international standards.

EAFCA directly links growers with major international roasters and retailers such as Starbucks, Peet's Coffee & Tea, and Green Mountain Coffee. EAFCA's commitment to developing a high-quality product that meets the demands of global consumers has put African coffee back on the map. Mbula is in charge of coordinating and implementing quality programs and trade and marketing activities for EAFCA and its 10 member countries, so it was no surprise that she wanted to add World Barista Championship Judge Certification to her credentials.

It is a rigorous process to become a WBC judge. Candidates may attain certification as Technical or Sensory judges, but not both. They must pass a series of tests including an intensive written exam focusing on the WBC Rules and Regulations and general coffee knowledge (growing regions, processing, varieties, and how all those relate to cup quality). There are hands-on practical tests that involve coffee-tasting exercises for sensory judges such as evaluation of cappuccino and espresso coffee, blind tasting and evaluation of various brewed coffees, and assessment of technical skills for technical judges (evaluating coffee waste, station set-up, and work flow). The examinations were administered by representatives from the Specialty Coffee Association of Europe, who are part of the WBC Judges Certification Committee.

COMPETITIVE SHEA INDUSTRY CONTINUES TO GROW



Producing shea butter generates incomes for thousands of women in rural communities, including these workers at the Sekaf Ghana Shea Butter Village near Tamale. Photo: WATH

In 2008, amid the beating of drums and joyful dancing, Sekaf Ghana inaugurated its first shea butter village near Tamale in northern Ghana. In 2009, Sekaf employed 250 women and started building two others like it in collaboration with international buyers.

The industry is evolving as new entrants and more sophisticated and more modern businesses emerge. The village has now formed the Sekaf Shea Butter Village Women Cooperative (SSWC), which encompasses 2,000 women from five different neighboring areas (Shigu, Nangbagu, Kasalgu, Yepola, and Jisonayili).

SOURCES: West Africa Trade Hub <http://www.watradehub.com/node/651>; <http://www.sheabuttervillage.org/about-us.html>

“They like our approach,” Senyo Kpelly of Sekaf Ghana said of the buyers’ interest. “We have our own improved method of processing for the butter. We’ve seen things getting better, a lot of repeat customers.”

Kpelly’s experience is just one reflection of how well the shea industry is doing. As the shea nut trading season starts, industry insiders agree that the industry is in good shape.

Working at every level of the value chain—from women’s groups producing butter traditionally in villages, to traders buying raw shea nuts, to mechanical processors refining butter for export, and to major international buyers and retailers—the Trade Hub’s work across the region has helped shea exporters become more competitive.

The result is more jobs and higher incomes over the past three years. In **Ghana** alone, a 2006 study estimated that 600,000 rural women earn income from collecting shea nuts for sale and processing others into shea butter.

In **Nigeria**, the shea industry is starting to expand. The Trade Hub’s financing of the shea initiative has helped spur new facilities for shea exporters. Appraisals of Nigerian

shea sourcing strategies are also being conducted by at least three major international buyers.

In **Mali**, shea nut quality has markedly improved. Laboratory scientists working for international buyers have noted the improvements, sources said.

In **Benin**, a shea butter-producing company took its products to buyers at a U.S. international trade show for the first time.

In **Ghana**, as many as seven processing facilities now transform shea nuts into shea butter. Their collective capacity is about 70,000 tons of shea nuts annually.

In May 2010, the Trade Hub organized *Shea 2010* in Bamako, Mali—the third edition of the international conference that brings industry stakeholders together to discuss the opportunities and constraints.

Estimating the number of tons exported is difficult, but figures from the Port of Tema in Ghana showed that about 80,000 tons of raw shea kernels officially went through the port in 2008 and about 4,000 tons of processed butter. However, industry insiders said the numbers were probably higher. Adding the volumes that left ports in Abidjan, Conakry, Lagos, and Lome probably means that as many as 350,000 tons of raw shea nuts were exported in 2008, and perhaps 30,000 tons of butter.

COFFEE REVIVES INDUSTRY AND FOREST

NEW METHOD CONSERVES LOCAL NATURAL RESOURCES, IMPROVING LIVELIHOODS



In Madagascar's Fianarantsoa region, one of the country's poorest areas, USAID support has enabled the revitalization of coffee.

Photo: USAID

“For us, Corridor Coffee benefits both the environment and trade ... I am convinced that Corridor Coffee will create higher incomes and a hopeful future for our children,” said a coffee farmer from Ambohimanana, Madagascar

The rural residents of Anjoma-Itsara, a village in Madagascar's poorest region, depend on traditional subsistence agriculture, often degrading the natural resources that support them. Among the crops grown in this plateau region is arabica coffee, but the industry has suffered from unproductive plants, erratic harvests, and unpredictable markets. Deforestation, unstable water supplies, and soil degradation created a vicious circle of poverty and environmental destruction.

USAID joined forces with local authorities and farmers to regenerate the coffee industry in the area. Working directly with local producers, the American specialty coffee firm Corridor Coffee and Spices takes a sustainable and quality-focused approach to enhance the quality and reputation of Madagascar's coffee. New coffee processing and training centers demonstrate and spread new techniques from seed to roasting, including intercropping, composting, and the use of shade trees.

Anjoma-Itsara's small training and demonstration center and local agents are overrun with requests from local farmers who want to tap into the specialty coffee market. This training center has provided high-quality services so that they become self-sustaining.

The revitalized coffee trade provides a higher quality coffee, but also restores the natural surroundings. The eco-friendly enterprise reduces pressure on the environment, presenting a clear alternative to widespread destructive practices. Small producers reap economic benefits from a traditional crop while improved cultivation techniques encourage forest preservation.

Today, area coffee growers are producing quality coffee in a way that protects the biodiversity of the neighboring forest corridor. Samples from the region have already scored high marks from international coffee critics.

SOURCE: Madagascar Mission
http://www.usaid.gov/stories/madagascar/ss_mdg_coffee.html

WORLD INITIATIVE FOR SOY IN HUMAN HEALTH BRINGS BENEFITS OF SOY PROTEIN TO SADC REGION

USAID-WISHH PARTNERSHIP FACILITATES SUSTAINABLE COMMERCIAL RELATIONSHIPS



Two women using a soybean machine in South Africa to grind soybeans to be able to prepare other foods using the ground soy.

Photo: WISHH, a Program of ASA

With USAID Global Development Alliance financing, the Southern African Trade Hub partnered with the World Initiative for Soy in Human Health (WISHH) to establish the Soy in Southern Africa Alliance program in 2005. WISHH is managed by the American Soybean Association

in collaboration with major U.S. private sector companies.

The Trade Hub leveraged private sector investments to advance the benefits of soy protein and build the capacity of Soy Southern Africa.

Covering nine countries in Southern Africa (Angola, Botswana, Lesotho, Malawi, Mozambique, South Africa, Swaziland, Tanzania, and Zambia), the Soy in Southern Africa Alliance program objectives are to:

- Create sustainable solutions for the protein demands of people in developing countries through the introduction and use of soy products
- Enhance the competitiveness of local food manufacturers using soy inputs
- Identify commercial opportunities for suppliers and distributors of soy ingredients
- Promote the benefits of soy protein consumption for persons living with HIV/AIDS.

To date, the program has successfully increased regional manufacturers' knowledge of soy processing technologies and promoted the use of soy ingredients in commercial products.

Today, the Soy Southern Africa's expanded membership base includes a wide variety of stakeholders within the soy industry, including producers and companies that work in the feed and bio-diesel industries as well as soy food producers.

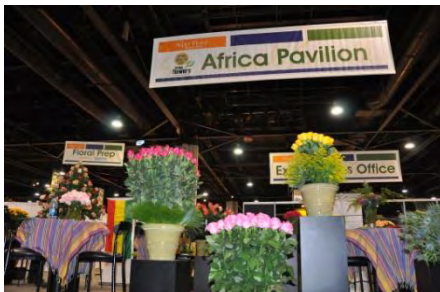
Soy value-adding food processing systems such as SoyCows and VitaGoats continue to be installed throughout the region, with new investments in Malawi, Mozambique, Zambia, and South Africa. Soy Southern Africa is co-hosting *Soy Innovations Africa 2010*, and is the lead host for the *2013 World Soybean Research Conference* in Durban, South Africa.

Following the completion of the Trade Hub Global Development Alliance project in 2008, Soy Southern Africa has continued to expand its outreach and information services and made the transition to a sustainable advocacy organization for the soy industry.

*SOURCE: Southern Africa Regional Mission
http://www.satradehub.org/index.php?option=com_content&task=view&id=662&Itemid=790*

OPPORTUNITIES BLOOM FOR EAST AND CENTRAL AFRICAN FLOWER GROWERS

FOSTERING REGIONAL COOPERATION



View of the Africa Pavilion at the Super Floral Show in Atlanta, June 2009.

Photo COMPETE

“We enjoyed the show thoroughly and have made contacts which will definitely generate business,” said Peeush Mahajan, CEO of East African Growers.

USAID East Africa’s Competitiveness and Trade Expansion Program (COMPETE) under its East and Central Africa Trade Hub component organized an Africa Pavilion at the June Super Floral Show (www.superfloral.com) in Atlanta, Georgia. Super Floral is the largest trade show for volume buyers of cut flowers in North America and attracts participants from across the globe.

Under the banner, “Grown Under the Sun: Africa Flowers,” 14 companies participated in 2009, including three from Ethiopia, eight from Kenya, one from Mauritius, and two from Tanzania. Heads of each country’s horticultural association representing a variety of cut flower exporters also attended.

Several U.S. buyers commended the outstanding floral displays and professionalism in marketing and logistics from Africa Pavilion participants. Buyers enthused about the variety and quality of flowers on display. Several flower varieties, such as colored lilies from Kenya and tropical anthurium from Mauritius, drew keen interest. East African roses have already established a favorable market niche: the roses generally have smaller buds and shorter stems than those from Latin America. Their relatively small size gives them a competitive advantage: a longer, 14-day shelf life because they are lighter and take longer to wilt. They are also good value for money as a bunched bouquet of East African roses can contain many more stems. Buyers also noted that vibrant East Africa flower colors add consumer appeal.

The event’s highlight was Africa Night, which brought together participants from the Africa Pavilion and select buyers. Kenyan Ambassador to the United States, Peter Ogego provided opening remarks by warmly thanking USAID COMPETE for organizing and bringing together companies from throughout the region under an “Africa” umbrella.

Results from the Super Floral show have been extremely positive. Exhibitors from the Africa Pavilion made tangible contacts with U.S. buyers and are currently following up on business leads. Kenya’s K-Net Flowers is responding to buyer requests for sample products that will likely result in new business. Super Floral delivered benefits for the show’s organizers and buyers. Leslie Rosa, organizer of Super Floral commented, “The Africa Pavilion was an excellent addition to the show floor, and proved to be a stand-out with the products and companies in representation.” Building on the ECA Trade Hub’s previous three-year effort at the World Floral Expo in Miami, COMPETE’s Africa Pavilion at Super Floral emphatically made the point that African flowers in the United States are there to stay.

To capitalize on momentum generated at Super Floral, COMPETE is working with regional growers and horticulture associations to focus marketing efforts on the “Africa flower” brand. Transportation, logistics and cost challenges remain, and COMPETE is educating companies about the intricacies of the U.S. flower market for increased participation in future Super Floral trade shows.

Fostering regional cooperation and developing the Africa brand will help give African flower growers an edge in competing in the global marketplace and increase sales.

SOURCE: East Africa Mission
<http://eastafrika.usaid.gov/en/Article.1231.aspx>

AS THE ALLIANCE GROWS, SO DOES BUSINESS

THE AFRICAN CASHEW ALLIANCE IS WINNING BUSINESS FOR THE INDUSTRY IN WEST AFRICA, CREATING JOBS AND INCREASING INCOMES



The ACA's 4th Annual Conference in Abidjan, Côte d'Ivoire, brought the global industry together—just as it does every day for more than 100 members from around the world.

Photo composition: West Africa Trade Hub

The African Cashew Alliance is bringing the industry together, winning business for the region, and building a network of private and public sector partners to create jobs and increase incomes.

September 2, 2009 might very well go down as a seminal moment in the history of the world cashew industry. In a breakout meeting room at the African Cashew Alliance's 4th Annual Conference in Abidjan, Cote d'Ivoire, representatives of the world's leading cashew-producing countries met on this date to lay the foundation of a world cashew alliance.

"The conference created a venue for us to meet," said Walter D'Souza, chairman of the Cashew Export Promotion Council of India, where half of the world's cashews ultimately are processed, including much of the West African crop. "The Brazilians have come, the Vietnamese have come. Unless Africa is an integral part of this alliance, things cannot move. The African Cashew Alliance will be an important part of this global alliance," he added. "Everyone will have a role to play."

Since co-founding the ACA with private sector partners in 2005, USAID's West Africa Trade Hub has housed its secretariat, an increasingly busy operation that tracks and connects industry activity involving more than 50

members from around the world. In 2009, ACA's work bore fruit when the Bill & Melinda Gates Foundation approved \$25 million to support the African Cashew Initiative, based on a proposal that included information about the industry's potential provided by ACA members. This additional \$25 million in private sector contributions is helping the Initiative work to increase the incomes of rural cashew farmers, create more than 5,000 jobs in local processing, and improve the marketing of cashew globally.

ACA's value remains firmly in its private sector orientation. The alliance continues to bring businesses together to address issues and, more importantly, make the deals that will lead to thousands of jobs and hundreds of millions of dollars in revenue for West Africa. In the last year, its membership has doubled.

"We saw a lot of enthusiastic people looking to develop cashew processing in West Africa," said Marc Rosenblatt of the Richard Franco Agency, an international cashew broker. "If it can be done we certainly know that we can sell it."

SOURCE: West Africa Trade Hub
<http://www.watradehub.com/products/cashew>

FROM “PRICE-TAKER” TO “PRICE-MAKER”

AQUACULTURE PROGRAM IN MALAWI PROVES SUCCESSFUL



Smallholder fish farmer Stanley Mulemba in Malawi benefits from USAID’s business development program.
Photo: PCI, Malawi

“I have never made so much money in my life from a single sale of fish. As farmers, we need to open our own retail shop so that we can make even more money than we have made today.”

SOURCE: Malawi Mission
http://www.usaid.gov/mw/success_stories.htm

Stanley Mulemba is one of the beneficiaries of the Captive Fisheries for Income and Strengthened Households (C-FISH) project implemented by Project Concern International with funding from USAID. Over the last few years, Mr. Mulemba, a fish farmer for more than 50 years, was barely making ends meet.

The C-FISH project aims to improve the production and commercialization of pond-raised fish in the Zomba basin and other high-potential areas for aquaculture in Southern Malawi. Activities include increasing availability of high-quality, cost-effective fingerlings, improving fish feeds, increasing availability of producer and supplier credit mechanisms, and improving fish production and distribution to urban and peri-urban markets.

Just like any other smallholder fish farmer in his village in the district of Zomba, Mr. Mulemba had always harvested his fish and sold them at the gate of his farm. The fish were sold either in bulk or in very small quantities; although the buyers went away happy with the price, Mr. Mulemba did not as it eroded his profit margin.

Such was life in the villages surrounding the district of Zomba, until one day the C-FISH extension officer responsible for business development took farmers from two nearby villages into Zomba City for a market survey. The market survey aimed at identifying potential markets for

fish, understanding price instability caused by fluctuations in the supply of fish from the wild, and gauging consumer preference in terms of fish size.

As the farmers got ready to go into the city, they expected nothing more than another trip into town arranged by the project staff. At Chinamwali market in Zomba, the farmers met with Mr. Kwilasi, a general trader wanting to venture into fish mongering. Haggling over prices, which characterized fish sales in the village, was replaced by meaningful price negotiations in which the farmers fully participated. A price of MK450 was agreed, which represented a 29-percent increase over the farm gate price.

On Thursday morning, September 11, 2008, nets were cast and fish were caught, weighed, and transported to Mr. Kwilasi’s shop at Chinamwali market. After the sale, Mr. Mulemba sold his fish for MK14,000. Previously, revenue from a single sale of fish averaged about MK5,000. He was once again optimistic about his trade, as he had made more money from this one sale than he had ever made from a single sale of fish in his fifty years of fish farming. He used the money to prepare his pond in readiness for stocking with fish from the project. Some 66 farmers are set to benefit from the C-FISH project following in Mr. Mulemba’s footsteps.

PROVIDING 10,000 FARMERS WITH SECURE MARKETS TO SELL RICE

USAID PARTNERSHIP TO INCREASE RICE PRODUCTION IN NIGERIA



Farmers working on USAID's Model Rice Farm, Agasha, Benue state, northern Nigeria.
Photo: Jide Adeniyi-Jones

The first year of the USAID/Olam partnership provided more than 10,000 farmers with secure markets where they could sell their rice, gain access to commercial finance, and receive technical assistance to produce high-quality rice. This resulted in productivity increases of almost 260 percent, and farmer net income more than doubled.

SOURCE: Nigerian Mission:
http://www.usaid.gov/stories/nigeria/ss_niga_rice.html

Nigerians consume about 5.4 million metric tons of rice annually, while local production amounts only to about 2.3 million metric tons per year. The remaining 3.1 million metric tons is imported, making Nigeria the second largest importer of rice in the world.

Nigerian rice farmers were unable to produce enough rice to feed the country because they lack some key resources available to farmers in more developed nations. Limited access to fertilizers and credit led to an inability to meet quality standards and a lower rate of production. In an attempt to reverse this trend, the Government of Nigeria developed farmer-friendly policies.

Taking advantage of the new government policy of high import tariffs on milled rice, Olam Nigeria Limited, a major rice importer, decided to test a new business approach by investing in local production of high-quality rice for Nigeria's domestic market. In 2005, Olam began processing locally produced rice from a government-leased mill located in Makurdi, Benue state. However, Olam was faced with the challenge of an insufficient supply of high-quality paddy rice to meet capacity needs.

USAID, entered into a partnership with Olam in 2006. The goal of the partnership was to promote Nigerian rice production to meet the demand by encouraging the use of improved technologies, farmer capacity building, commercial linkages to credible market outlets (such as mills), and strategic public-

private partnerships. The first year of the USAID/Olam partnership provided more than 10,000 farmers with secure markets where they could sell their rice, access to commercial finance, and technical assistance to produce high-quality rice. This resulted in productivity increases of almost 260 percent.

More importantly, farmer net income more than doubled. The success of the program encouraged First Bank, a Nigerian commercial bank, to become a major stakeholder with a smallholder farmer commercial credit program, providing \$2.5 million in credit to more than 8,000 farmers.

Because of the success of this partnership, Olam Nigeria Limited was one of ten 2008 World Business and Development Award (WBDA) recipients. Sponsored by the United Nations Development Program, the International Chamber of Commerce, and the International Business Leaders Forum, the award is given to companies whose work demonstrates that "business can both make a significant contribution to development and be commercially successful at the same time."

TANZANIAN HORTICULTURE EXPORTS TAKE OFF

CHALLENGE

Though much of Tanzanian-exported horticulture of flowers, cuttings, vegetables, and fruit is grown within a 50-kilometer radius of Kilimanjaro International Airport (JRO), lack of access to reliable airfreight options forced farmers to ship their produce by truck to airports hundreds of miles away in Nairobi and Dar es Salaam. These trips were expensive, and the extra time it took to get their produce to market caused quality problems. With high fuel prices and consumer demand for better quality, Tanzanian growers were facing an uphill battle and found that they could not compete to build this important economic sector.

INITIATIVE

USAID/Tanzania recognized the problems and launched the Tanzania Airfreight Program (USAID-TAP), a private sector-driven initiative to develop a long-term freight solution and build the capacity of the Tanzania Horticultural Association (TAHA) to serve the industry. The program's goal was to establish competitive access to international markets so that Tanzania could develop its role on the world stage and small farmers could increase their incomes through new export-related opportunities.



Ground crew load Tanzanian-grown produce onto a TFHL chartered flight out of Kilimanjaro International Airport.

Photo: Erik Koster, FINTRAC

RESULTS

USAID-TAP negotiated partnerships with private and public operators at JRO to lower costs to equal competing airports and helped establish TAHA Fresh, a grower-owned freight consolidation firm. TAHA Fresh's first charter flight took off from JRO on December 7, 2008 full of Tanzanian flowers and vegetables and since then, the cargo service has shipped more than 1 million kilograms. TAHA members exported more than \$60 million in flowers, cuttings, fruit, and vegetables in 2009.

USAID-TAP also helped TAHA increase membership over 500 percent to broaden the association, improve the enabling environment, and further increase exports.

With its new strength in the industry, TAHA successfully advocated against an 18-percent VAT tax on airfreight that was affecting Tanzania's agriculture competitiveness. TAHA Fresh is now sustainably operating and providing reliable, cost-effective freight solutions to the industry.

Despite the world economic situation, the Tanzanian horticulture industry is experiencing double-digit sectoral growth, and major new investment is rolling in to provide much-needed production, export, and job opportunities.

SOURCE: Tanzania Mission and www.globalhort.org/.../SUCCESS%20STORY%20USAID-TAP.pdf

AFRICA PAVILION AT MAGIC 2010 WELCOMES VIP

*THE AFRICA PAVILION AT THE
MAGIC APPAREL SHOW
WELCOMED A VISIT BY
AMBASSADOR RON KIRK,
UNITED STATES TRADE
REPRESENTATIVE*



Ambassador Ron Kirk, far left, speaks with François Guemto, far right and owner of Buetec, an apparel company located in Cameroon, West Africa. Buetec manufactures knitted fabrics, polos, and T-shirts for companies such as Nestle, Total, and Unilever.
Photo: Jean Pierre Rousseau

At the February 2010 MAGIC Apparel Show in Las Vegas, African textile and apparel companies, along with representatives from the three USAID African Trade Hubs, were honored that Ambassador Ron Kirk, United States Trade Representative, visited the Africa Pavilion. Ambassador Kirk attended the show to encourage industry support for Haitian apparel companies, devastated by the recent earthquake. While there, he took time to meet the numerous international delegations that exhibit at MAGIC. During his visit to the Africa Pavilion, Ambassador Kirk expressed his appreciation for the work of the three African Trade Hubs in building the capacity of African textile and apparel companies and in promoting exports from the continent.

The Africa Pavilion—a collaborative effort supported by the East/Central, Southern, and West Africa Trade Hubs—hosted 14 African companies to exhibit in the “Sourcing at MAGIC” section of the show, the premier trade event in North America for the production and supply sides of the apparel industry, where nearly 700 companies and more than 40 countries are represented.

The companies that participate in the Africa Pavilion take advantage of the duty-free preferences that the African Growth and Opportunity Act (AGOA) offers for certain products entering the United States. The Southern Africa Global Competitiveness

Hub, located in Gaborone, Botswana, provided exhibit support to South African-based DinhaTEX. Owners Shaun and Caroline Achadinha started DinhaTEX in 1999 and began taking advantage of AGOA as soon as it was passed. They have achieved such success with an AGOA-focused strategy that they recently opened an office in Los Angeles to improve their ability to deliver quality apparel produced in Africa to numerous U.S. buyers.

DinhaTEX orders are manufactured in ultra-modern facilities and ship from Kenya, Botswana, Malawi, Mauritius, Swaziland, Tanzania, Uganda, and other African locations. DinhaTEX offers all types of apparel products, including knitwear, uniforms, denim, and sweaters. Current and previous customers include Wal-Mart, JC Penney, Levi’s, Jones, Sears, K-Mart, Target, Kohl’s, Disney, and Reebok.

The Africa Pavilion at the February 2010 MAGIC Apparel Show hosted 14 textile and apparel companies. Pavilion exhibitors enjoyed a visit by Ambassador Ron Kirk, U.S. Trade Representative, who commended the work of the three African Trade Hubs in fostering increased exports from the continent.

SOURCE: Submitted by USAID Southern Africa Regional Mission

KENYAN BUSINESSMAN PRAISES BENEFITS FROM AGOA



Mike King'ori's family-owned Kenyan flower business specializes in exporting cut flowers and foliage worldwide.
Photo: K-Net Flowers

Kenyan-born businessman Mike King'ori has seen the results of closer United States–Africa trade ties fostered under the African Growth and Opportunity Act and stands ready to further expand his own business and trade relationship with the United States. He is director of marketing and operations and an owner of K-Net Flowers Ltd.

K-Net Flowers, according to King'ori, wants to expand the multimillion-dollar business relationship it already enjoys with the United States and send it “to the next level” by supplying cut flowers to supermarket chains

SOURCE: U.S. Department of State
http://www.america.gov/st/develop_english/2009/August/20090803083849wcyeroc0.292248.html

across the United States.

“We realize that the mass market is where we need to take it to in the United States because that is growing. ... If that would take place, I think we would struggle with the volumes. There is huge potential to supermarket sales in the United States of African products,” he said.

Speaking on the importance of the African Growth and Opportunity Act and of working with the East and Central Africa Global Competitiveness Hub in Nairobi operated by USAID, King'ori said: “We have seen the benefit. We can see the figures and believe that this continuous partnership can open up this market.”

King'ori's business, which started exporting cut flowers—mostly roses—to the U.S. market in 2005, averages more than \$2 million annually in business with the United States. His company exports about 40 million cut flowers a year, with the U.S. component making up about 30 percent of that volume. K-Net's other big export markets include Europe, Australia, and Japan.

King'ori said his business “adds value” to its cut flowers by custom packaging them for their targeted market. He “sleeves” the roses in custom clear plastic packs, bar-coding them for easy pricing by the merchant, and attaching flower food if required.

Growers traditionally have shipped flowers to the main flower auction in Holland, a

country, which according to King'ori, is not a consumer of flowers but a re-exporter into Europe, Japan, and United States.

“So we felt there was a need to try to penetrate these markets—the United States, Japan and Australia—which we call ‘emerging markets’.”

King'ori credited the USAID East and Central Africa trade hub for helping his company create and develop a Web site.

“... we realized that a Web site is one of the key elements you need to get entry into the U.S. market, unlike other markets,” he said. “Our Web site is the first point of entry in terms of the seriousness of the business. If you don't have a Web site you don't seem to be in the business,” and thus do very little business. “So that has benefited us to date. We truly appreciate the benefit of that.”

In March 2006, King'ori said, thanks again to the East and Central Africa trade hub, his company was able to participate in the Miami Wildflower Trade Show. “The trade hub facilitated our visit [by securing U.S. visas, providing letters of introduction, and helping with travel costs and arrangements] and sponsored the stand” that allowed his company to display its flowers to U.S. buyers and wholesalers.

This marked his company’s “first real contact” with the people who actually do the buying, control the marketplace, and operate the port in which the products are imported, he said. “The location in Miami was actually very good, because we were now able to see firsthand how the product comes into port and then see the logistics” of the marketplace, as well as meet with contacts, “put a name to a face” and set up a business network.

“This business is a business of trust, so when you come face to face with somebody, it is easier to do business with them.” King’ori said his flower-buying business was actually able to raise the price it paid to Kenyan farmers by 10 percent because of the money it saved after it established these direct U.S. business relationships that cut out several middlemen.

Although his business suffered some setbacks with the United States market in 2007 and 2008 because of the extreme hike in oil and shipping prices, the hub helped K-Net continue to visit the U.S. flower shows in Miami and “keep a presence,” King’ori said.

Other African flower growers from Ethiopia, Tanzania, and Mauritius have appeared at the shows—courtesy of other U.S. trade hubs in Africa—and actually won two awards for their floral displays at the Africa Pavilion. They travel with their designers, who help set up the displays.



The East Africa hub also coordinated a visit to the U.S. Department of Agriculture in the United States to educate his company on the U.S. import standards pertinent to his product.

Asked about the timeline for flowers exported to the United States from Kenya, King’ori said they are cut on day one, air-shipped out of Kenya on day two, arrive in Miami on day three, and are in the market for sale to consumers on day four. Despite the long distance, he said, African roses have proved to be hardy and have a long vase-life.

King’ori said that in June 2009 his company, along with other African providers, participated in the Super Floral Show in Atlanta, the biggest mass market floral trade show—much bigger than Miami’s—thanks again to the USAID trade hubs.

Thanks to AGOA and the USAID trade hubs, King’ori said, African flower merchants are now able to get to the American market to do business and have learned how to do business and how to package their product for the American market.

King’ori said he now wants American wholesale buyers and industry decision makers to visit Kenya to “see the level of sophistication” first hand and work with Kenyan growers and consolidators to create a closer partnership that could further benefit both sides.

WORKING WITH 3,000 WEAVERS ACROSS RWANDA, GAHAYA LINKS IS NOW A PROFITABLE ENTERPRISE



“Path to Peace baskets” were originally made as wedding gifts. The zigzag design tells a traditional story of friends walking together and visiting neighboring villages along the way.

Photo: Macy’s

Immediately after the Rwandan genocide, women made up more than 70 percent of the country’s population. Facing an uncertain future, these women needed to find a way of making money to help their families survive. Many women turned to making traditional hand-woven baskets of papyrus and sisal to sell at local markets. Janet Nkubana and her sister Joy Ndunguste were also survivors of the genocide and

SOURCE: USAID
<http://www.usaid.gov/press/releases/2009/pr091202.html>

came from a family that practiced traditional basket weaving. In 2004, they formed Gahaya Links Ltd. and embarked on transforming these traditional colorful baskets into high-end home decor with a unique Rwandan flair.

The fortunes of many of these women weavers changed when an East and Central African Trade Hub delegation, funded through USAID East Africa, visited a trade show in Kigali and met Janet Nkubana. Representatives from the Hub realized the company’s potential. They provided technical assistance in product design, marketing, and pricing to help Janet prepare her baskets for international trade shows. The Trade Hub then sponsored her trip to New York to take part in a major marketing event, the Sources Show. There, buyers from Macy’s spotted her product line and offered her a deal worth \$150,000 to supply baskets for their New York store and to sell online. Path to Peace baskets are being sold at:

<http://www1.macys.com/campaign/rwanda/index.jsp>.

In 2007, the company produced 35,000 baskets with annual sales of \$300,000. Its baskets and other products have been featured in U.S. national magazines, and new deals are in the works with major national retailers.

This success story is an example of how specific and targeted interventions can have positive and far-reaching results. Indeed, it

has already made a huge difference in the lives of thousands of Rwandan women, and placed the spotlight on the unique capabilities of that country. Additionally, the success of this one company has spurred the Rwandan government into action. Upon returning from the Peace Baskets Macy’s launch in New York, President Kagame ordered his Ministers to do everything possible to assist the company and clear any unnecessary hurdles to exporting to the United States under AGOA.

With USAID support and technical expertise, Gahaya Links continues to grow. Beginning with only 27 women, Gahaya Links has expanded and is now a profitable enterprise that works with more than 3,000 weavers across Rwanda.



Macy’s also markets “True Unity” fruit bowls crafted in Rwanda.
Photo: Fair Winds Trading

ACCESS TO CREDIT HELPS GROW BUSINESS

TARIKU MIDERGO COFFEE ENTERPRISE GROWS A BUSINESS AND A COMMUNITY WITH USAID ASSISTANCE



Some of the 280 workers at Tariku Midergo Coffee Company.
Photo: Geresu Kitessa, USAID Ethiopia



Tariku Midergo started a coffee processing project with family support in 1998 near Yeragalem town in Ethiopia's Southern Nations, Nationalities, and People's (SNNP) Region. While establishing his business, Midergo heard about a new USAID-sponsored loan program and approached the Bank of Abyssinia (one of USAID's partner banks participating in the Development Credit Authority program) to get capital to establish and expand his business.

Tariku qualified for a loan of Birr 5,000,000 (approximately \$371,727), which he used for capital investments and for operations. More than a decade later, the Tariku Midergo Coffee Company has 280 seasonal and permanent employees.

Midergo also contributes to road maintenance that benefits his whole rural community by facilitating transportation and access to markets. In addition, he created a waste removal system to prevent run-off from his operations polluting the near-by river.

Due to his demonstrated support for community development, local farmers are happy to supply raw coffee at a reasonable price and consider him a role model.

Midergo praises USAID Ethiopia's loan guarantee program because simple and straightforward procedures make loans accessible to small entrepreneurs like him.

"As much as the loan, I value the technical advice and the business network I've gained from meeting other borrowers in the program from different sectors," Midergo said.

Today, Midergo plans to acquire his own coffee farms to increase and ensure his supply of coffee, and then expand his processing operations to take advantage of opportunities for coffee exports under the African Growth and Opportunities Act Program.

"As much as the loan, I value the technical advice and the business network I've gained from meeting other borrowers in the program from different sectors," said Tariku Midergo, an Ethiopian entrepreneur who benefited from a USAID business loan.

SOURCE: USAID
http://www.usaid.gov/stories/ethiopia/ss_eth_coffeelloan.html

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