

Growing With Ethiopia

Heineken Ethiopia's strategy since its entry in 2011 to Ethiopia with the purchase of Harar and Bedele breweries is to 'Grow with Ethiopia'. This means investing in capacity, brands, training and development of our staff and creating a sustainable local supply chain. In order to achieve this, we want to develop our business and at the same time make sure Ethiopia benefits from this growth through strengthening a local supply chain of barley in Ethiopia and aiming to reach greater import substitution.



With an altitude frequently above 2,000m, Ethiopia is one of the few countries in Africa where barley can grow successfully. This, combined with rapid growth in the Ethiopian beer market, provided the impetus for our malt barley value chain project. The CREATE project is a Public Private Partnership between HEINEKEN, the Dutch government and an NGO called EUCORD, with important local partners including the Agricultural Transformation Agency (ATA). The project, aims to improve the income of 20,000 Ethiopian smallholder barley farmers by improving quality & quantity of malt barley and better access to markets. To help farmers increase their yields, the project is giving them access to top quality malt barley seeds plus support through agronomic advice, training, and access to finance, provision of improved inputs and market access to sell their product.

Faye Tessema (pictured right with his wife) is one of the 20,000 smallholder farmers who joined the project since its launch in 2013 explains the impact of the project for him and his family: "In 2015, I planted barley on four hectares of land, which is a big increase from 2014. In the 2015 harvest season, I got seven tons per hectare, whereas I used to get only two tons per hectare. Because my barley is of the highest grade, I can sell it for more money per ton. My total income from the 2015 barley harvest was more than 400% higher than in 2014."



Wegene Abebe (pictured to the right) is also one of the farmers in Mankula Negele, Arsi Zone of the Oromia Region, who is selected as a best performer for 2016. Wegene is awarded because he achieved high productivity per hectare, quantity and quality of supply to Heineken, business diversification and proper application of technology transfer. "The future is bright with Traveler Malt Barley Variety and Heineken because through high quality production I am able to ensure my food security and improve the livelihood of my family" said Wegene. He has already become a model rural entrepreneur in his area due to his improved family income and support to other farmers and community members. Wegene indicated that the support of the project and the introduction of the two new malt barley varieties (Traveler and Grace) have revolutionized the malt barley sector in terms of increased productivity and improved quality. The Traveller variety is in the field called Walia seeds.



Stimulating increased agricultural production naturally gives rise to challenges, along with successes. It takes time to help participating farmers understand how contract farming works and what it means and to give training to avoid minor occurrences of diseases

like Net Bloch and ensure inputs are used with care and control for maximum quality. It is also important farmers receive ongoing training and coaching, to keep improving productivity. The current situation is that Ethiopia is the only country in Africa where local sourcing of barley is more expansive than imports. This has to be solved. For the moment we are very proud that we have brought the country to a situation where the local malteries don't have to import raw barley.

Beer has the power to unite us in social connection, whether having fun with friends, enjoying a good evening out with colleagues or simply celebrating a joyful occasion with family. This is part of our long journey with Ethiopia and with our consumers who eagerly await our quality beers, brewed with the utmost care and brought to you in your choice of venue. As we continue to delight you with our brands, we believe that you will not only enjoy the taste, but will come to appreciate that they are increasingly produced from local barley!

There is so much more to this story and Heineken Ethiopia so for more information, please visit: <http://heinekenethiopia.com/sustainability/local-sourcing/>
Cheers