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St. Mary's University

ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

ASSESSMENT OF VALUE CHAIN PRATICE OF SESAME EXPORT
MARKET IN NORTHERN PARTS OF ETHIOPIA

BY
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DECEMBER,2019
ADDIS ABABA, ETHIOPIA

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

GENERAL MBA PROGRAM

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NORTHERN PARTS OF ETHIOPIA**

BY

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ADVISER: ADANECH GEDEFAW (Ass. Prof.)

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE
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Declaration

I hereby declare that the research entitled “**Assessment of Value Chain Practice of Sesame Export Market in Northern Parts of Ethiopia**” is my own work and that all sources I have used or quoted have been indicated and acknowledged by means of complete references.

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This is to certify that Muluken Reta has carried out her research work on the topic entitled **“Assessment of Sesame Value Chain Practice of Sesame Export Market in Northern Parts of Ethiopia”**. The work is original in nature and is suitable for the submission for the reward of MBA in General Management.

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Table of Contents

Acknowledgements.....	i
List of Tables	ii
List of Figures.....	iii
Abstract.....	iv
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem.....	3
1.3 Basic Research Questions.....	4
1.4 Objectives of the Study.....	4
1.4.1 General Objective of the Study	4
1.4.2 Specific Objective of the Study	4
1.5 Definition of terms.....	5
1.6 Significance of the Study.....	6
1.7 Limitations of the Study	6
1.8 Delimitation / Scope of the study	6
CHAPTER TWO	8
LITERATURE REVIEW	8
2.1 Value Chain	8
2.2 The Important of Value Chain Analysis.....	8
2.3 Value chain analysis as analytical tool for export promotion and development	11
2.4 The key dimensions/elements of the value chain	12
2.4.1. Systemic efficiency/input-output structure of the value chain.....	12
2.4.2. Rent and upgrading	12

2.4.3. Governance	14
2.5. Sesame Seed	15
2.5.1 Sesame Production	15
2.5.2 Uses of Sesame.....	17
2.5.4 Sesame seed in Ethiopia.....	18
2.5.6 Sesame seed type	20
2.6 Ethiopian Commodity Exchange	20
2.6.1 The operation of the Ethiopian Commodity Exchange.....	22
2.7 The existing Value Chain Actors.....	24
2.7.1 Producers/ Farmers.....	25
2.7.2 Unions/Cooperatives	25
2.7.3 Village Traders or Collectors	25
2.7.4 Processors/Exporters	26
2.8 Value chain Service providers	26
2.8.1 Ethiopian Commodity Exchange	26
2.8.2 Credit providers at Grass Root Level.....	26
2.8.3 Commercial Banks	26
2.8.4 Shipping line	27
2.8.5 EPOSEPA	27
2.8.6 Freight Forwarder and Custom Clearing Agent.....	27
2.8.7 Quality Inspection and Control Company	28
2.8.8 Transport Providing Companies	28
2.8.8 MOT, MOA & Custom and Inland Revenue office.....	28
2.9 Challenges and Opportunities in the existing sesame value chain	29
CHAPTER THREE.....	30
RESEARCH DESIGN AND METHODS.....	30
Description of the Study Area	30
3.1 Research Design	30
3.2 The Population of The Study	31

3.2.1 Units of Analysis.....	31
3.3 Sample and Sampling Technique	32
3.4 Type of Data Source	33
3.5 Method of Data Collection Instrument	33
3.5.1. Questionnaire	34
3.5.2 In-Depth Interview	34
3.6 Method of Analysis.....	34
3.7 Ethical consideration	35
3.8 Dissemination plan	35
CHAPTER FOUR	36
DATA PRESENTATION, ANALYSIS AND INTERPREATION	36
4.1 Research Validity and Reliability	37
4.1.1 Research validity	37
4.1.2 Research Reliability	37
4.2 Data Presentation, Analysis, and Interpretation	37
4.2.2 Producers' Demographic profile	38
4.2.3 Aggregators' Demographic profile	39
4.2.4 Exporters' Demographic profile	40
4.2.4.1 Exporters' General Information	41
4.3 Value Chain Actor's Role.....	42
4.3.1 The Role of Sesame Producers and activities Calendar.....	42
4.3.1.1 Type of sesame Producer, size of allotted land and Yield	44
4.3.1.2 Type of buyers, Source of information, Price of premium product at primary market.....	45
4.3.1.3 Kind of Product for Crop Rotation and Dependent factors to produce sesame ...	46
4.3.1.4 The Performance of Service Providers in the case of Producers	47
4.3.1.5 Production and marketing challenges in the case of Producers	49
4.3.2 The Role of Sesame Aggregators /Collectors	50
4.3.2.1 Aggregators/Collectors activity/ies Calendar.....	50

4.3.2.2 Suppliers of sesame to Aggregators and who decides the market price	51
4.3.2.3 The Performance of Service Providers in the case of Aggregators.....	51
4.3.2.4 Factors affect the quality of sesame in the case of Aggregators	53
4.3.3 The Role of Exporters	54
4.3.3.1 Exporter Business activities	54
4.3.3.2 Who decide selling price, required time to deliver a shipment up to submit	54
Documents to bank and Warehouse Status	54
4.3.3.3 Analysis of Data related with Exporter Role and Service providers Activities ...	56
4.4 Sesame Value chain actors Costs, Revenues and Margins.....	65
4.5 Challenges and Opportunities in the existing sesame Value chain	69
CHAPTER FIVE	70
SUMMARY, CONCLUSION AND RECOMMENDATION	70
5.1 Summary of Major Finding	70
5.1 Conclusions.....	73
5.2 Recommendations.....	75
REFERNCE	77
APPENDIX - A	I
Questionnaire Question for Value chain Actors	I
APPENDIX -B	XVII
Interview Question for Service Providers.....	XVII

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List of Tables

Table 2.1: Nine-year major sesame producing countries.....	16
Table 2.2: Nine-year major sesame importing countries	17
Table 3.1: Stratified Proportional Sampling Method.....	33
Table 4.1: Research reliability for Value chain actor's.....	37
Table 4.2: Producers' Soico -Demographic Characteristics Profile.....	38
Table 4.3: Aggregators Socio-Demographic Characteristics Profile.....	39
Table 4.4: Age and educational level distribution of the respondents.....	40
Table 4.5: Export volume, their organizational size and year of experience in the market.....	41
Table 4.6: Sesame Producer activities calendar	42
Table 4.7: Type of sesame producer, allotted land and yield of land.....	44
Table 4.8: Buyers of producer's product and price of premium quality at primary market.....	45
Table:4.9: Kind of products for crop rotation and dependent factors	47
Table 4.10: Service providers performance level and get supportive service.....	48
Table 4.11: List of challenges during production and marketing.....	49
Table 4.12: Aggregators activities period/s.....	50
Table 4.13: Suppliers of sesame, who decide market Price.....	51
Tables 4.14: The performance of service providers in the case of Aggregators.....	52
Table 4.15: Base for Grading.....	53
Table 4.16: Major Factors affect the quality of sesame	53
Table 4.17: Type of business it run by exporters.....	54
Table 4.18: Shipment period, Document submission & Price maker and warehouse status.....	55
Table 4.19: The role of exporter in sesame value chain.....	56
Table 4.20: The availability of truck and service charges for forwarding and logistics.....	60
Table 4.21: Service providers performance evaluation.....	61

List of Figures

Figure 2.3: Ethiopian sesame export value in terms of USD.....	19
Figure 2.4: Ethiopian sesame export value in terms of Mt.....	19
Figure 2.5: Ecx operational activities.....	23
Figure 2.6: Sesame value chain Market Channels Mapping.....	65
Figure 2.7: Active Value Chain actors and service providers.....	65

Abstract

In today's Global Agri-Business, competition is ever increasing between countries and companies and value chain plays a significant role to maximize efficiency and effective's through reducing cost, maximizing the competitiveness of country/companies. This thesis paper makes an investigation on assessment of value chain practice of sesame export market in northern parts of Ethiopia. The main objective of this paper to assess value chain practice of sesame export market in northern parts of Ethiopia. The study discusses different concepts on the existing value chain practice, identify the role of value chain actors, evaluate service providers performance, identifies the strengths and weakness of the existing value chain practice, make cost, revenue, and margin assessment of value chain actors. Stratified proportional sampling technique was employed to contact 180 respondents and data was collected from 157 questionnaire and 20 interviewed questions from respondents. A questionnaire survey was used to collected data through Questionnaire and in-depth interview. The data was analyzed using the descriptive statistics in the form of tables, diagram, percentage, and frequency; for in-depth interview, the data was analyzed using thematic analysis. Mixed research approach was used to gather both primary and secondary data. The collected data was analyzed using SPSS version 20 and Excel. Finally the research comes up with the following findings: many producers obligated to sell their crops early stage of a season; wind ,disease, post-harvest lose;, corrupt practice at Ecx affect the competitiveness; producers and aggregators had got better margin; logistics & forwarding cost is expensive, Ecx price higher than FOB price; exporters abuse pre-shipment finance and market defaulters reduce the credibility of the nation; identifies costs ,revenue, mark-up and margin for actor, identify major challenges & opportunities which sesame market & production. This study identifies value chain practice of sesame export market in northern part of ethiopia affected by the above stated factors and reduce the bargain power of Ethiopian sesame export market. Therefore, it is recommended that the governing body, policy makers should improve current market structure, monitor, and regulate market players to act accordingly local international business rule and procedure.

Key Words: *Sesame value chain, Service providers, Value Chain Actors, Default, Ecx Price*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Value chain analysis evaluates those specific activities that add value to the organization's products or services. Porter explains value chain as an activity that analyses the competitive power of the organization both internally and externally (Porter, 1985). A firm's activity split into a series of value creating steps and we identify how each individual activity, within the firm, add value. We also examine how the existing relationships look like among activities within the firm, between the firm, with its suppliers and customers, Kaplinsky, Raphael & Morris say that value chain analysis is the entire process (Kaplinsky, Raphael & Morris, 2000).

Those writers mentioned above divide the types of value chain activities in to two: Primary and secondary activities

- ✓ The primary activities deal with the creation or delivery of a product or service, which are inbound & outbound logistics, operation, marketing & sales and service. Each of the above state activities are bonded with support activities that help to improve the efficiency and effectiveness of the firm/nation.
- ✓ The Secondary (Support) activities, on the other hands, deals with Procurement, Technology Development (including Research and Development), human resource management and Infrastructure (Kaplinsky, Raphael & Morris, 2000).

Porter also explains that value chain analysis assists firms/ nations to identify their own strengths and weakness, especially to compare its performance with its competitors (Porter, 1985).

Value chain describes the full range of activities required to bring a product or service through the distinct phases of production, including physical transformation, as well as input of various producer services and response to consumer demand. Value chain analysis is an important concept at the current rapid international business. To this end, Kaplinsky, Raphael & Morris(2000) had drawn three main reasons for the existence of value chain analysis at International Business.

- The extreme importance of systematic competitiveness with the growing division of labor and the global diversification of the production of components.

- The need to efficiently produce and score good result in order to competitively penetrate into international market, and,
- The necessity to use globalization by understanding the dynamic factors that are inherit in the entire value chain.

Ethiopia is richly endowed with different soil types and climatic zones suitable to produce varieties of food crops as well as oil crops. The Ethiopian government has well recognized the oil seed sector as the main source for generating hard currency that in turn makes it the major contributor for the national economic growth. More than 90% of oilseeds export value is generated from sesame seed and it plays a key role in national economy. Ethiopia is one of the top-five sesames producing countries in the world, ranking third in terms of exporting sesame to the world market (Assefa, 2017).

Sesame (*Sesamum indicium*), otherwise known as sesamum or benni seed, a member of the family Pedaliaceae, is one of the most ancient oilseed crops known to humankind. Sesame seeds were appreciated for their ability to add nutty flavor or garnish foods and were primarily used for oil and edible purpose. Sesame is mostly grown for its crushing purpose. Sesame is grown in many parts of the world on over 5 million acres (20,000 km²) of land (Musa, 2017). Sesame is the second largest foreign exchange earning crop in export sector next to coffee (Assefa, 2017). Ethiopia produces different varieties of sesame seed and export to all over the world, and especially to China, Israel, Turkey, and UAE. Sesame in Ethiopia is grown mainly for the export market (Kindie, Aysheshim, 2007 ; Alemu Dawit; W.Meijerink, 2009; Chekol & Tesfahuney, 2014). However, according to Kindie(2007) only about 5% is believed to be consumed locally. Ethiopian origin sesame seed gains good market acceptance at the international market. Humera type of sesame has uniform white color, sweet aroma and pleasant taste and usually uses for confectionary and bakery, while the Wollega sesame seed is suitable for crushing. Both types of sesame seeds earn highest price at the international market. Therefore, these factors could be the major reasons for the sustained market prospect for Ethiopian Sesame seed in the future (GCD, 2014). The government of Ethiopia had selected sesame seed as one of the top six priority crops in its Agricultural Growth Program (GTP). Genet Misganaw(2015) & Hailu (2009) recognizing the considerable role of oil seeds in achieving economic growth through generating high foreign currency only preceded by coffee. Girar development consults (2014) emphasis that from 2007-2011 exported volume and revenue reaches 1.1 million tons and 1.3 Billion USD, respectively.

In 2014 the country had registered its historical highest export earnings from the sector, which was 619 million USD from exporting 400,000 MT sesame seed (GCD, 2014).

However, sesame value chain in Ethiopia is characterized by a long value chain, which includes producers, collectors, exporters, and different service providers on export side (Genet Misganaw, 2015; & Hailu, 2009). Different scholars had indicated the value chain actors in sesame market and production had faced different challenges in their studies.

These include, lack of improved seed, unexpected rain during harvest, shortage of labor force, shortage of capital and transportation from storage to market area, default, lack of skill, financial capability problem and ECX price posting, delay on ECX process, raising of transport prices and large scale gap between the ECX price and very poor transport facilities (Kindie, 2007; Genet, 2015; & SSDSWD, 2013, 2014, 2017). Export earning and the competitiveness of the nation decline, so the subject study was conducted to understand current value chain practice of sesame export market in northern parts of Ethiopia, the study was investigated in northern parts of Ethiopia and Addis Ababa. Khafta Humera acknowledges one of the main producers of humera type of sesame in Ethiopia, it is located north western part of the country 13°45' to 14°28' north latitude and 36°20' to 37°31' east longitude. The area has a flat topography with an altitude range between 500–800 meters above sea level. It is characterized by arid climatic condition with average annual temperature of 30°C and average annual rainfall of 580 mm, which ranges from 380 mm to 870 mm (Muez, 2008).

Therefore, this study was made assessment current value chain practice of sesame export market in Northern part of Ethiopia, identifying the main challenges and opportunities, and the activities of value chain actors.

1.2 Statement of the Problem

Value chain significantly contributes to enhance competitiveness and efficiency of the firm at global market by implementing the core competency. In this regard, Porter (1985) has emphasized the source of competitive advantage to be the ability of a firm to perform activities and the ways of managing the interrelationship between the activities. There are various actors and service providers in the sesame value chain, including small and large size producers, collectors/aggregators, exporters and different service providers.

Ethiopian economy highly depends on exporting primary agricultural products, and agricultural products are the main sources of hard currency. Sesame is one of the key potential agricultural products generating considerable hard currency and hence playing a significant role for the country's growth and development (Assefa, 2017). Sesame seed has a better potential to extend production capacity, i.e. from traditional regions to new areas including Benishangul, Illubabor, and many other places and hence increase generation of foreign currency to the nation (CSA,2007;& GCD,2014). However, official reports indicate that export value of sesame has declined since 2015/16 crop year, and hence the earnings have also dwindled during 2015, 2016 and 2017 to 482, 431 and 307 USD, in the respective years (Assefa, 2017). In addition, the country loses its' competency at international market

The study was evaluated the current value chain situation in the country, identify the roles and activities of the different value chain actors, assessed the activities of service providers, and make an assessment cost, revenue, and margins of value chain actors. Besides, identify which those elements that affect and influence of sesame export performance; and finally, it also identified the strengths and the weaknesses of the existing value chain for the success of Ethiopian sesame export market.

1.3 Basic Research Questions

1. What does the role of existing value chain actors look like?
2. Which service provider works strongly to facilitate the existing value chain?
3. What are the challenges and the opportunities in making the sesame export market much more effective?

1.4 Objectives of the Study

1.4.1 General Objective of the Study

The main objective of the study was to investigate value chain practice of Sesame Export Market in Northern Parts of Ethiopia.

1.4.2 Specific Objective of the Study

- ✓ To explore the role of the existing value chain actor's activity in sesame market.

- ✓ To evaluate service provider performance for value chain practice of sesame export market.
- ✓ To see the challenges and opportunities sesame market.
- ✓ To examine costs, revenues, and margins of value chain actors

1.5 Definition of terms

Sesame: it is one of cash crop product it produces various parts of the country, it serves as a means of generating high amount hard currency.

Aggregators/Collectors: A person or organization which collect raw sesame seed from small or large size farmer at primary market and provides raw sesame at Ecx floor to sell to exporters.

Export market: This is a place for selling sesame away from Ethiopia.

Service providers: they are rendering service for value chain actors they have a role either directly or indirectly. These service providers' main functions are coordination, facilitation, con-torting, monitoring activities for value chain actors.

Actors: The participant members of value chain, they maintain the interconnection among value chain and getting value proportion for the success of sesame export market. They have direct involvement in a system. The study enclosed producer/farmers, Aggregators and Exporters

Value chain: - The value chain describes the full range of activities which are required to bring a product from farmland through the different phases of production (involving a combination of physical transformation via cleaning/adding values), delivery to final consumers.

Sesame value chain: -are actors/service providers that are directly/indirectly involved from cultivation, harvesting, collecting, facilitating, cleaning, processing, and exporting to business users/final consumers.

Defaulter: -market players in the existing sesame value chain, they reflect lack of commitment for agreed contract and quality.

1.6 Significance of the Study

Ethiopia is one of major sesame exporting nation and the products have good market acceptance and preference in the mind of end user or different trading companies. This study was able to identify which agricultural practice reduce production, raise a question to reader and regulative bodies why exporters working at loss and encourages different parties to conduct further studies, and insisting agriculture research office to look for best agricultural practice to improve yield and sustainability. The researchers strongly believe data collection instruments will serve a benchmark for further investigation, likewise the study motivate service providers to evaluate their own service to improve sesame market and production; the study enables for policy debate regarding sesame. Finally, from the study was able to pick which activity create additional value for the success of export market and which activities reduce value of the export performance for sesame.

1.7 Limitations of the Study

More than 70% of the annual sesame production of Ethiopia originates from the North Western Part of the nation. The region is estimated to cover around 380,000 Ha of land; this region includes Humera, Metema and Gondar (Agriculture Tranformation Agency,2014;& GCD,2014). These places are known in the market to produce Humera type of sesame seed. Due to high security concern in Metema, Gondar and Wollega regions plus as a result of insufficient budget, time and limitation of resource, the author was obliged to distribute questionnaires for producers and aggregators only in Humera areas (North West part of Ethiopia). To conclude security, time and budget were a limitation of the study.

1.8 Delimitation / Scope of the study

Sesame seeds value chain touches different stakeholders starting from farmers who cultivate up to up to it reach final consumer. Understanding this fact, the researcher conducted interviews and distributed questionnaire to different respondents to understand situations of production and market. For Producers and Aggregators/Collectors, the researcher used questionnaires to distribute for identified population as per stratified proportion on the bases of the list of population was identified by Agricultural office desk in Khafta -Humera. These population reflects Homogenous

characteristics for the rest of sesame producing areas. Due to this reason, the researcher limited to a scope of NW parts of Ethiopia.

In addition to distributing questionnaires, the researcher was obligated to limit the number of Producers and Aggregators as per Stratified Data because of increasing the size of sample beyond the stated number may lead the researcher to face challenges in terms time, money. Many stakeholders in export market are familiar with the number of registered sesame exporters in the country. There are more than two hundred of them. While the actors in a sector believe that only around 100 exporters actively operate in sesame export market. The rest are opportunistic who only hold the export license to fulfil their import demand. Then the researcher distributed questionnaires and made an analysis a consideration only 100 active exporters (population) and these exporters delivering any type of sesame originate from Ethiopia. Their activity reflects export performance that shows the success and the failure of Ethiopian sesame export market.

Finally, the researcher gives more emphasis assessing value chain practices of sesame export market to enhance the competence of Ethiopian sesame seed at Global market.

CHAPTER TWO

LITERATURE REVIEW

2.1 Value Chain

Porter portrays value chain as an activity that involve bringing a product or service from conception, through the distinct phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final consumers, and final disposal after use (Porter, 1985). A firm will be profitable as long as total revenues exceed the total costs incurred in creating and delivering the product or service. Values chain assist a nations/firms to have competitive advantage through core competence of the firms/Nations. The concept of the value chain merge into the mainstream thinking after the ground-breaking work of Michael porter in 1979. Elias explains the aim of Porter's theory is to find an important framework that helps to understand the essence of competition and fill the gap between theory and practice (Elias, 2005). Porter constructed two necessary theories.

1. Value chain dismantles the firms into its strategically relevant activities.
2. Value system explains a large stream of activities between forwardly and backwardly linked firms (Humphrey & Schimitz, 2004;Porter,1985).

Value chain analysis (VCA¹) refers to the process whereby a firm/ Country determines the costs associated with organizational activities from purchasing raw materials to manufacturing product(s) to marketing those products. VCA aims to identify where low-cost advantages or disadvantages exist anywhere along the value chain from raw material to customer service activities.

2.2 The Important of Value Chain Analysis

Three main reasons make VCA important are:

- ✓ Systemic competitiveness has become increasingly important with increasing division of labor and the global dispersion of the production of components.
- ✓ Efficiency in production is essential to competitively penetrate the global market.

¹ Value Chain Analysis

- ✓ Kaplinsky, Ralph & Morris also adds, access to global market permits to increase profit that leads to make the best in the era and helps to know the vibrant factors within value chain (Kaplinsky.Ralph & Morris, 2000).

Then the analyst attempts to attach a cost to each discrete activity, and the costs could be in terms of both time and money. Analyst converts the cost data into information by looking for competitive cost strengths and weaknesses that may yield competitive advantage or disadvantage. Gereffi, Humphrey & Sturgeon assume that if major competitor or new market entrant offers products or services at very low prices is, perhaps, as a result of firm's lower value chain costs or maybe a desperate attempt of the rival firm to gain sales or market share (Gereffi ;Humphrey & Sturgeon, 2005). Thus, value chain analysis can be critically important for a firm to monitor if its prices and costs are competitive. Firms should determine where cost advantages and disadvantages in their value chain occur relative to the value chain of rival firms. Value chains differ immensely across industries and firms. However, all firms should use value chain analysis to develop and nurture a core competence and convert this competence into a distinctive competence. A core competence is a value chain activity that a firm performs especially well. When a core competence evolves into a major competitive advantage, then it is called a distinctive competence. many companies are using VCA to gain and sustain competitive advantage by being especially efficient and effective along various parts of the value chain.

The concept of value chains as decision support tools was added onto the competitive strategies' paradigm developed by Porter.

As companies and countries become embedded in international networks of production the global value chains (GVCs) they create challenge prevailing policy thinking about competitiveness. Porter depicts that it is better to outsource and off-shore activities in order to enhance the export competitiveness of countries by providing access to cheaper, more differentiated ,and better quality inputs rather than to stay ineffective by setting limiting policies that protect domestic firms (Porter M.E, 1990).

Gibbon & Ponte outlined that Global Commodity Chain has been changed by Global Value Chain because the former merely explains the nature of international chains of agricultural products in the chains either as producers of inputs to others or users of inputs from others but the latter is though to better capture a wider variety of products and is also has advantage of

clarifying the questions on who adds value and where along the chain (Gibbon & Ponte, 2005). The global value chain concept is concerned with finding out how the global value chain governance structure and the power structure within the chain looks like. Gereffi; Humphrey and Sturgeon,(2005) moreover explain, the concept of global value chain is concerned with:

- ✓ Finding out how the global value chain governance structure and the power structure within the chain looks like by emphasizing on power relation within the global value chain.
- ✓ Identifying the main ruling bodies of the chain and the rule setting and monitoring procedures of the governors by assisting firm managers and policy makers to better understand the rules and regulation of the governing bodies (Gereffi; Humphrey and Sturgeon,2005).

The theoretical approach of the GVC can be applied to the practical research in the following ways:

Analyzing the nature of the linkage between farmers, collector/aggregators and exporters; assessing the impact of the ‘influential business unit’; identifying the case in which the market contact among farmers, Aggregators, Ethiopian commodity exchange, exporters and finally International buyers could be strengthened; assessing the possibilities where the cost of the existing extended market channel could be reduced so that the reduced cost could be used to increase the income share of all value chain actors. This in the end would help to devise a strategy for upgrading that could help to reap a highest income by the primary producers from participating in the value chain. In the same situation, sesame seeds are passing through the different phases of production, processing, marketing, and exporting.

The value chain concept would help to find out the different market nodes where a commodity is passing before it reaches to exporters. It provides a range of analytical tools to assess what are the desired factors to be successful in the local and international markets. According Biersteker,Heil, &Wijnands(2007) emphasized that the existing value chain including farmers, aggregators, warehouses, seed cleaning plant and exporter.

2.3 Value chain analysis as analytical tool for export promotion and development

Gereffi and his colleagues argued that international trade and free capital movement has made potential change in the global economy for the past few decades (Gereffi ;Humphrey & Sturgeon, 2005). This historical trend has increased development in the international trade and has facilitated conditions for the integration of the world economy. Globalization has provided opportunity for substantial income growth of countries, which started to participate in the global integration in recent years. This is reflected not only in high income growth but also in the improved availability of better quality and differentiated products and services (Kaplinsky & Morris,2000). However, the circumstances under which global trade and free movement of capital operate creates undesired income distributional pattern between people and countries. Such undesired global trade patterns have widened the income gap and could be one factor for aggravating the poverty situation in poor countries. To this end, the global value chain approach could assist to examine the various ways in which global production and distribution, marketing systems are functioning and help to create possibilities for firms in developing countries to enhance their position in the global markets (Gereffi ,Humphrey & Sturgeon, 2005).The GVC approach could enable firms/nation to analyze what is required in the global market. This can be done through:

- ✓ Mapping the value chain relations and tracing the point of entry to participate in the market,
- ✓ Assessing what is required in the international market,
- ✓ Identifying the main actors in the chain and how it is possible to meet their needs and requirements and finally,
- ✓ Identifying the possibilities for upgrading (Such as Adding Value through fully or partially processing the product before sell) in the chain.

The approach would help one to get the required information and identify policy instruments which might help to address regulative and institutional measures that are required to arrest the undesired direction of the global trade. The approach used for analyzing upgrading possibilities within the national boundary of the value chain.

2.4 The key dimensions/elements of the value chain

2.4.1. Systemic efficiency/input-output structure of the value chain

The first essential element of the value chain, in the words of Kaplinsky, is the search for moving from point to systemic efficiency. An allocation of a resource is economically efficient when there is no one person better off without making another worse off. Morris indicates that systemic efficiency within the value chain is derived from upgrading both horizontal and vertical integrations between enterprises. In other words, systemic efficiency is a concept that requires efficiency throughout the whole line of the value chain (Morris, 2005). In the case of the sesame business, the researcher uses the concept of systemic efficiency (input-output structure) to map out the chain structure and identify the different nodes and participants of the value chain. Once the chain configuration and the pattern of the chain flow are identified, then value added gains by the different participants/nodes will be calculated. This would help to identify the income distribution pattern of the chain participants and shows signal on where the biggest returns are made. This will be a very important entry point to identify and outline upgrading possibilities for value chain actors. In addition, it will also help to understand the behavior of the different participants and identify the power asymmetry in the chain. Identification of the power structure on the other hand will help to understand who has what influence (governance role) and how this influence can be manipulated to upgrade the income of farmers/exporters.

2.4.2. Rent and upgrading

Rent defines by Ricardo whatever it is annually paid by a farmer to his landlord for the service of the land. There are two different perspectives for rent. Ricardo emphasis on his rent theory scarcity play the significant role and he argues that economic rent arises from unequal access of these resources (Kaplinsky, 2004). On the other hand, Joseph Schumpeter defines rent may not only originate from scarcity but can arise from purposive actions. He argues that entrepreneurial surplus can only be created and sustained by those who could create a new products and new ways of penetrating a market in a purposeful action. A continuous wave of innovation could help the existing producers to maintain a barrier to entry. Such continuous innovation and upgrading process will change the whole scenario and what was a *producer surplus* change into *consumer surplus* due to the availability of high quality and low-priced products. “The introduction of new machinery, replacing one product with another, the creation of a new good which more adequately satisfy existing and previously satisfied needs (Raphael, 1998). Firms can produce rents

while introducing innovation either in production or marketing. Upgrading assist a firm to come out as a winner in the ever-growing market competition Hergert & Morris 1989). Different scholar states GVC has identified four kinds of upgrading, i.e. process, product, functional and inter-sectoral.

- ✓ *Process* upgrading is improving the internal process and achieving a more efficient transformation of inputs into outputs.
- ✓ *Product* upgrading is moving into more sophisticated products with increased unit value.
- ✓ *Functional* upgrading is acquiring new functions (or abandoning old ones) that increase the skill content of activities.
- ✓ *Intersectional* upgrading is applying competences acquired in one function of a chain and using them in a different sector/chain (Giuliani,et al,2005)

Sesame is agricultural commodity, which can only grow under certain climatic pattern and soil type. Farmers put a lot of effort and resources in the production of sesame. However, due to market, production practices, natural and other structural problems, farmer's share from the sale of sesame is very minimal. To increase their income share, farmers need to upgrade their production and marketing practices.

Upgrading in the sesame sector can take the following four forms:

- Introducing efficient production, harvest and storage practices and enhancing the quantity of sesame seeds production;
- Increasing the production of high value sesame seed (sesame with high quality and oil content) maintaining the quality of oilseeds produced with low foreign matter, no adulteration);
- Processing sesame seed instead of selling raw sesame
- Creating a condition under which farmers could directly sell their products to exports market. This also generates, additional income by reducing actors (middlemen) involved in the value chain and retain the income gain that used to go to these actors.

One or more of the measures mentioned above could bring additional income. The main issue when taking an upgrading decision is to investigate which approach could bring the highest upgrading to value chain actors.

2.4.3. Governance

The third essential element of the value chain is ‘governance’. Governance is seen as a non-market relationship, which plays a role in coordination of economic activities (Humphrey & Schimitz, 2004;Porter,1985). A non-market relationship can be defined as any individual’s interaction, which is not governed by market forces i.e. not governed by demand and supply. The issue of governance is extremely critical within the value chain because it is an important element that determines the performance and competitiveness of firms/nations.

Gereffi argues that the key actors in the value chain have an influence on the inter-firm division of labor and on upgrading the performance of the participants (Gereffi ,Humphrey & Sturgeon, 2005). It means that some firms in the chain set and enforce the parameter under which others in the chain operate. Elias discussed one practical example in which fresh vegetable producers in an African country are expected to fulfill standards and supply their products on lead-time to a supermarket shelf in Europe (Elias, 2005). Failure to supply the fresh vegetable on time and at the expected standard will undermine the credibility of the supermarket. Therefore, the supermarket will set a standard and operation procedure so that firms producing fresh vegetable should be bound by the rules set by the supermarket. In these circumstances, the supermarket has the governance role. In the same situation, sesame seeds are passing through the different governing bodies activities in the existing value chain. Ethiopian commodity exchange setting standard to measure the quality of product and to setup buying/selling price at ECX; Quality inspection companies set international trade specification (minimum quality grade export sesame) and International buyer also putting shipment period, quality commitments as governing criteria for their business transaction. The theory of governance informs us that the key actors are responsible for the overall coordination, monitoring and rule setting of the value chain. Governance could help to coordinate buying and selling interactions between firms so that these interactions could be systemic rather than random (Gereffi,Humphrey & Sturgeon, 2005).Understanding the governance structure of the value chain is important because it enables firms to supply standardized products required by the final market and get continuous accreditation from the governing bodies for their products and services. In the case of the oilseeds value chain, the notion of governance is used to analyze who has what influence in the chain, what the export market requires, and what should be done to utilize the existing condition of chain governance to improve the competitiveness of the nation export sector

2.5. Sesame Seed

Sesame (*Sesamum indicium*) belonging to the Pedaliaceae family, is one of the ancient oilseed crops and is produced in tropical and subtropical regions of Asia, Africa and South America (Lemlem, 2017).The original area of domestication of sesame is obscure but it seems likely to have first been brought into cultivation in Asia or India. The sesame seed have a high amount of oil content and it ranges between 44-60%. The plant is usually 60 to 120cm tall and the fruit is a dehiscent capsule held close to the stem. Sesame when it dry/ripe, the capsule shatters to release a number of small seeds. The seeds are protected by a fibrous ‘hull’ or skin, which may be whitish to brown or black depending on the variety (CISANET, 2015). Sesame is a robust plant that can grow in many types of soils. However, the crop grows best in well-drained, fertile soils with neutral PH. High salt and waterlogged soils are not good for sesame cultivation. Warm climate favors a faster growth of the crop. The oil content of the plant is influenced by the photoperiod. The extensive root system of the sesame plants renders it as a drought-tolerant plant. The plant is admirably adapted to endure arid conditions and has deep root. It will grow on harsh climate and soils compare with other crops. It is well suited to smallholder farming with a short harvest cycle of 90 –120 days allowing other crops to be grown in the field. It is often intercropped with sorghum, maize, soya, and other grains (CISANET, 2015). Its color varies from charcoal-black to cream white. However, it is mostly white or black. Even some countries have yellow, reddish, and brown color of sesame (Tunde et.al.2012).

2.5.1 Sesame Production

According to Hansen 2011 Sesame is cultivated in many parts of the world on over 5 million acres (20,000 km²) of lands. The larger producer of the crop in 2007 was China, India, Myanmar, Sudan and Ethiopia, Uganda, and Nigeria. Asia takes a lion share to produce sesame and contribute around 70 % of the world sesame seed production (Musa, 2017).Although India and China are the top sesame producing countries in the world, the most productive sesame farms are in Greece where 0.69 tons per hectare of sesame production was recorded in 2013. The white and lighter colored sesame seeds are produced in West Asia, the Indian subcontinent, the Americas, and Europe. In China and Southeast Asia, darker-colored sesame seeds are produced. In 2010, more than a billion-dollar worth of trade of sesame seeds was recorded. The largest sesame importer country in the world is China and since sesame oil is an important ingredient in Chinese cooking. The Japan, US, Canada, the Netherlands, France, and Turkey are other major sesame

importing countries. According to oil world data (2017) emphasized that Myanmar the number one sesame producing countries and then followed by India and China, respectively. Tanzania, Sudan, and Ethiopia the top sesame producing countries in Africa, respectively. When we see the production of sesame, it increases from year to year and especially for the last five years the sesame production increase more than 900,000 Mt and the total sesame seed production reach 4.7 million Mt.

Table 2.1: World Sesame Production

Country	07/08	08/09	09/10	10/11	12/13	13/14	14/15	15/16	16/17
Myanmar	620	610	620	580	635	650	665	670	670
India	720	600	730	740	685	672	811	730	650
China	558	586	623	588	640	624	560	540	630
Tanzania	59	90	144	100	456	420	460	470	470
Sudan	242	350	318	248	187	300	310	270	340
Ethiopia	187	255	261	328	240	265	289	420	250
Burkina Faso	27	52	56	91	101	137	322	235	230
Nigeria	118	122	150	165	158	169	170	185	180
Uganda	168	173	178	170	124	124	145	120	130
Niger	46	50	76	86	56	41	80	138	130
Mexico	22	34	29	37	42	42	65	52	58
Paraguay	65	65	40	50	30	41	44	22	41
Guatemala	31	38	38	38	38	40	30	35	36
Thailand	43	44	46	48	50	52	29	30	30
Central Africa	48	49	50	50	28	28	30	29	30
Others	481	497	496	508	570	615	848	827	856
World Total	3,435	3,615	3,855	3,827	4,040	4,220	4,858	4,773	4,731

(Unit: 1,000 Mt)

Data: Oil World Annual 2017

World oil report indicates that sesame demand grows from year to year and a total traded volume reaches 2million Mt. China is the 1st importing countries (840,000 Mt) and Japan (160,000 Mt) and turkey (150,000Mt) take 2nd and 3rd position, respectively.

When we saw the performance of china, the nation dramatically engages from net producing country to net importing countries. It is big opportunity to Ethiopia and other producing countries to get sustainable and huge market. Because of this fact Chinese the main partner for Ethiopian origin sesame seed.

Table 2.2: Nine-year major sesame importing countries

World Import Volume (Sesame Seed)										
Importing Nation	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
China	311	391	389	396	442	569	806	933	713	840
Japan	129	161	164	159	142	168	185	152	149	160
Turkey	92	102	101	116	107	111	126	137	146	150
South Korea	73	78	77	73	77	84	78	78	75	78
Vietnam	13	38	78	31	35	56	46	83	68	75
Isreal	36	43	47	54	55	54	61	59	57	55
Taiwan	42	44	40	38	39	46	39	42	41	42
Saudi Arabia	24	30	35	42	40	45	47	43	45	46
USA	36	37	37	35	35	33	33	32	34	35
Syria	58	52	40	33	27	24	16	14	14	14
Others	319	317	345	510	494	505	478	498	487	495
World Total	1,133	1,293	1,353	1,487	1,493	1,695	1,915	2,071	1,829	1,990

Unit: 1000 Mt

Source of Data: Oil World Statistics 2017

2.5.2 Uses of Sesame

Sesame is grown for its seeds, and the primary use of the sesame seed is as a source of oil for cooking. It has a rich, nutty flavor that is used as an important ingredient in cuisines across the world. The decorticated sesame seeds are sold mainly to be used as a top coating of several baked goods in many countries. The young leaves may also be eaten in stews, and the dried stems may be burnt as fuel with the ash used for soap making, but such uses are entirely subordinate to seed production. Sesame is commercialized in several forms. Most sesame is processed directly into oil by the grower or within the producing region but can also be sold in various stages of processing, for various uses, such as meal, paste, confections, and bakery products. Once harvested, the seed is cleaned and dried to about 8% moisture and may then be stored before crushing. Dehulling is also important to produce the ground seed pastes and for confectionery uses. The dehulled seeds are extensively used in the ground form where they comprise the base material, a paste used as an ingredient in Eastern Mediterranean and Middle Eastern foods. The seeds hulled or dehulled, roasted or raw are now widely used in the European and North American bakery industry as a garnish on bread products.

2.5.4 Sesame seed in Ethiopia

Agriculture is the core component and driver for Ethiopia's growth and long-term food security. The contributions are high: 15 to 17 percent of the Government of Ethiopia's expenditures are committed to the sector. Agriculture directly employs 72.7 percent of the total population, 37.2 percent of gross domestic product (GDP), and over 70 percent of export value comes from Agriculture sector (CIA, 2019). Oil seed is the 3rd largest crop in area coverage and production after cereals and pulses in a country. Amhara, Tigray and Benishangul regions are the main source of a products, SNNP², Gambelia and Ethiopian Somali are emerging producing regions (Assefa, 2017). Sesame production in Ethiopia is characterized as labor intensive, low input and rain-fed (Biersteker,Wijnands,2007).

Sesame is the major oil seed in terms of exports earning, accounting for over 77% of the values of oil seeds exports. Oil seeds are the second most important exports in crop after coffee, sesame unlike to most other crops in the country in which farmers is mainly grown under "commercial" farms. The international price of sesame seed determined by the evenness of color, taste, dryness, and purity of the seed. Sesame production is increasing in Ethiopia especially in southwest and northwestern parts of the country which is driven by high market value and suitability of environmental conditions (Biersteker &Wijnands,2007). Ethiopia is the 5th largest sesame seed producing country in the world and engages about 3 million small, medium and large-scale farmers (Assefa, 2017). Ethiopian origin sesame seed is naturally organic and healthy for human consumption. It contributes significant role to achieve national household food security and generating large amount of hard currency for a nation. According to Assefa (2017) empathized that the country earned historical large amount value from sesame during 2013/2014 and generated 619,033 million USD.

The north western part of the regions has the highest level of yields per Ha compare with south western part of the country with an average of 3 quintal/Ha and expected more than 600,000 farmers engage on sesame production (Biersteker&Wijnands,2007).

² Southern Nation and Nationalities People

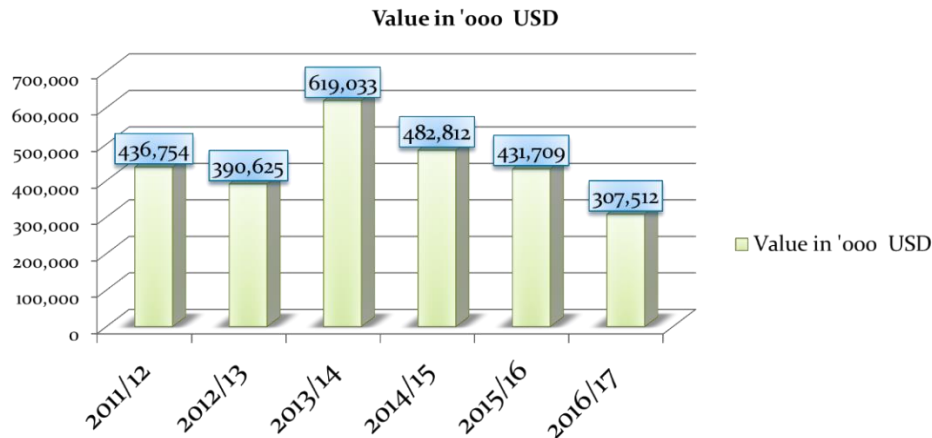


Figure 2.1: Ethiopian Sesame Export Value

Source: Ministry of Trade

Ethiopia is one of the major Sesame producing countries in the world. Sesame sector is one of the highest foreign currency earning sectors in Ethiopia. The exported Sesame is grown on the farms of small holders and commercial farmers in different parts of Ethiopia.

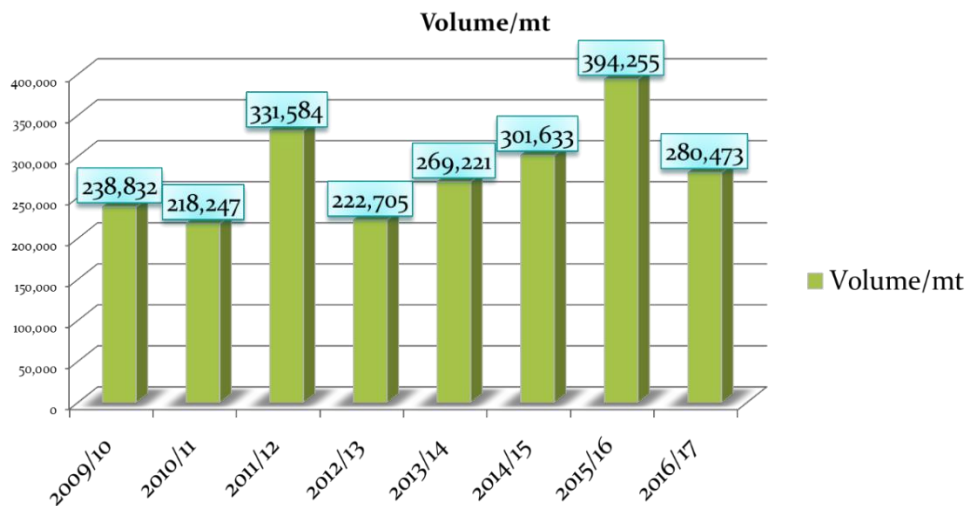


Figure 2.2: Ethiopian Sesame Export Volume

Source: Ministry of Trade 2017

Oil seed export trend has recovered since 1993 and moved upward until 1994/95. Then after, it had showed a sudden decline up until 1996/97. Again, it started shooting up in 1998. However, from 1998/99 to 2001/02 it again showed a negative growth trend. The outbreak of the border war with Eritrea and the closing of the Assab port. Since 2002, oilseeds export is shooting upward in absolute terms, sesame seed export reached its peak record of USD 619,033,000 in 2013/14 and total export volume 299,724 Mt (Elias, 2005 and Assefa 2017). Average price of sesame for Ethiopian origin was 2065 USD/Mt at international market, this price occurred for the first time at Global market for raw sesame seed and as a result of this price for 2014/15 many

farmers increasing their cultivated land either shifted from sorghum, maize, Green mung beans and cotton into sesame or prepared new virgin land. So, in 2014/15 crop season Ethiopia historically produce bumper crop and recording 420,491Mt of sesame. The attractiveness sesame price for 2013/14 encourage a new comer countries to join sesame market at global market and then 2014/15 the season exposed to surplus crop in the market, it pushed a price down by 22% compare with 2013/14. Compare with 2014/15 sesame production declined to 8% for 2015/16, 20% for 2016/17 and 33% for 2017/18 crop season respectively. While export earning registered the peak transaction in 2013/14, due to several factors export earnings decline from year to year. Since 2014/15 export earnings decline by 22%, 30% and 50% for 2014/14, 2015/16 and 2016/17 respectively (Assefa, 2017).

2.5.6 Sesame seed type

Ethiopia produces three type of sesame seed for the world market, This include Humera type of sesame seed (the place where produce in Northern western part of a country) , Wollega type of sesame seed (It produce in southern western, southern and eastern parts of a country) and Reddish Sesame seed it produce in central and eastern part of a country. Sesame seed is the most important export commodity item. It contributes for 80% of the total share of oilseeds export in 2002. While other oilseeds together contribute for only 20% of the total export (Elias, 2005). According to (Elias, 2005) the secretary of Ethiopian Oilseeds and Pulses Exporters Association, in 2005 the association had 30 registered members. Currently the association has a member of more than 150 oil seed, pulses, and spices exporters. There was a rapid increase of new comers to the export business during the past decade. But only a few could be able to survive the intense competition that is prevalent in the sector. As a result, most new companies usually cease operation soon after they enter the business.

2.6 Ethiopian Commodity Exchange

Commodity exchange is a marketplace where sellers and buyers meet to transact commodities in an organized way with certain clearly specified and transparent ‘rule of game’, permitting for maximum effective competition among buyers and sellers at centralized marketplace (Aderajew,2013; & UNCTAD,2009). Different scholar on a sector argue that properly implementing a commodity exchanges in developing countries can help reduce poverty by promoting efficient production, storage, marketing, Agro-processing operations, and improving overall agriculture sector performance (Aderajew,,2009;Worako, et al.2008). Further a commodity

exchange diminishes transaction costs by offering service at lower cost than which participants (producers, buyers, intermediaries) in the commodity sectors would incur if they were acting outside an institutional framework (Milligan,Sommeling&Struyf,2011).Spot, forward and future transaction market take place on a commodity exchange and the price information provide an accurate reflection of the actual supply and demand condition in the market (Aderajew, 2013).Many argue that the opportunity for smallholder farmers to escape from poverty heavily depends on the ability to participate successfully in markets. Helping farmer's access markets requires countries to have flexible marketing institutions and sound marketing approach (Milligan,Sommeling&Struyf,2011).

Besides access, the persistent problems of price volatility and high transactions costs in agricultural market of developing countries provide a strong theoretical justification for development of commodity exchanges (Garcia &Rashid,2010) through adapting the market models from Western Europe and Northern America. A commodity exchange player made sound decision for production, purchasing and investment decision and able to reduce risk (Aderajew, 2013).

Why is a commodity exchange important in developing countries?

The important of a commodity exchange depends on its institutional capacity to avoid or reduce the extreme transaction costs often faced by entities along commodity supply chains in developing countries. A commodity exchange reduces transaction costs by offering services at lower cost than that participant would incur if they were acting outside an institutional framework (UNCTAD, 2009).Players at commodity exchange believe exchange prices come to reflect the information known about the market, they provide an accurate reflection of the actual supply and demand situation. This provides important signals that market participants can use to make informed production, purchasing and investment decisions. Ethiopian commodity exchange (Ecx) established in 2008 in the aim of to revolutionize the Ethiopian agriculture through a dynamic, efficient, and orderly marketing system that serves all. The major pushing factors for the establishment of Ethiopian commodity exchange is lack of order in the market place and its actors, lack of integrity in the market actors, product and transaction, lack of transparency in the trading system, limited efficiency in the market, Low farmer empowerment and price bargaining power. Limited awareness and market information. In many developing nations a commodity exchange offers both spot and future contracts whether the Ethiopian commodity exchange that offers only a spot trading.

Accordingly, Aderajew Ecx brings a system of price setting which result in a better return for farmer, facilities a physical trade so that contract risk is reduced and encourage market development that helps to improve sesame market and reduce the market concentration. Ecx offering an end to end operation of warehousing, grading, central trading, clearing and settlement, market information system, and compliance (Aderajew, 2013).

2.6.1 The operation of the Ethiopian Commodity Exchange

The commodity Exchange is currently trading eight commodities: Coffee, Sesame, Haricot Beans, Green mung beans, Maize and Wheat, Soya and Chickpeas. The buyer obligates to deposits fund into settlement accounts in one of the exchange partner banks and instruct his /her broker to bid price, on the other side the seller of sesame uses electronic depository, which clearly describes amount and quality of the deposited sesame to trade at the exchange. The seller then instructs his/her broker to post offer in the trading floor (Aderajew, 2013).The spot exchange on Ecx’s occur octagonal trading floor and uses either open outcry or online system to make sure competitive method of price. To participate on trading floor, a seller must have warehouse receipts and at a sometime a buyer have adequate finance in their settlement account .In addition, trading can only be conducted by registered members of the exchange, trading either for themselves or on behalf of clients (Zewdu, 2010).Real time market data dissemination to all market actors including smallholder farmers via ticker board, IVR, SMS, Website.

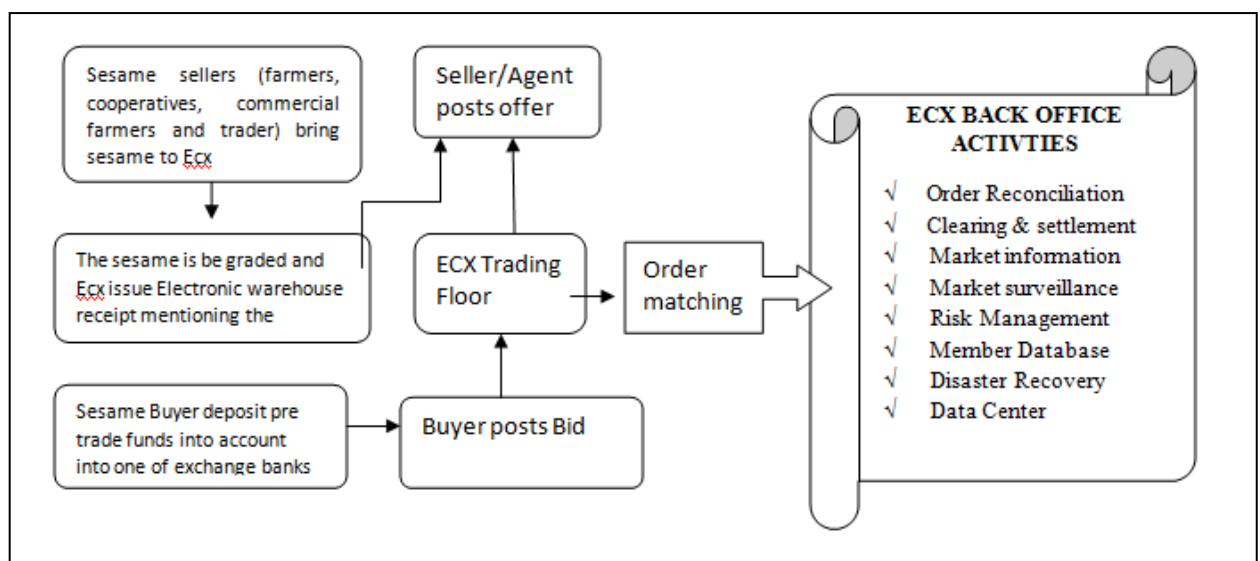


Figure: 2.5 Ecx operational activities
Source: Ecx (2012)

As far as the structure is concerned, we learn from the new supply chain that the post ECX supply chain has three major differences with the old auction system: *First*, producers can only sell sesame at rural primary transaction centers. Many of these primary markets already existed, but they were designated by the new proclamation as official transaction centers where recognized suppliers can buy sesame directly from producers. The transaction centers make tracking markets easier and create a more competitive environment. From all segments of the chain acknowledged the wider access to information regarding sesame prices has improved the bargaining power of producers. *Second*, due to the introduction of the warehousing and clearance system, sesame is no longer physically moved to the trading floor. Third, trading taking place in one central location, the transportation costs move from producers to exporters. According to Alemu (2009) the characteristics of Agricultural marketing features prior to Ethiopian commodity Exchange:

- ❖ No Market Structure (Fragmented market Structure)
- ❖ Lack of order (Loose of market regulation, unregulated market actors)
- ❖ High contract performance risk
- ❖ Aderajew (2013) outlined that Ecx carries out the below identifies advantages to a different type of participant. Ecx contributions for: -
- ❖ Producers, cooperative and collectors: Ecx emphasized that their system enables an improved farmer earning, productivity and support them to get the attractive price for better quality supply. Aderajew on his study indicates that farmers, cooperative and collectors earning were improved from <30% to more than 60% of Fob Value.
- ❖ Exporters: Ecx promised that their system assured free from default transaction, consistent supply, standardized product and qualified product traded through their infrastructure.
- ❖ Banks: Ecx participants have to make transaction only through the bank for pay in and payout, a system contributes bank to expand their customer database, knowledge transfer and generate better earnings and revenues
- ❖ Government: Ecx platform identifies market players and how much volume traded at Ecx. It assists to implement better regulation, tax administration, and collect appropriate tax for accurate transactions
- ❖ Non-Member participants: Share market information, access to engage in the market, install reliable payment and delivery arrangements.

2.7 The existing Value Chain Actors

Value chain study the full range of activities that are required to bring sesame from conception through the separate phases of production. Value chain exists when all the actors in the chain operate in a way that maximizes the generation of value along the chain.

There are various actors in sesame value chain. These include producers, small traders (collecting intermediaries), Wholesalers/brokers, oil millers, retailers, local consumers, and exporters (Biersteker,&Wijnands,2007). There are four different channels on the existing sesame value chain.

It is illustrated as below

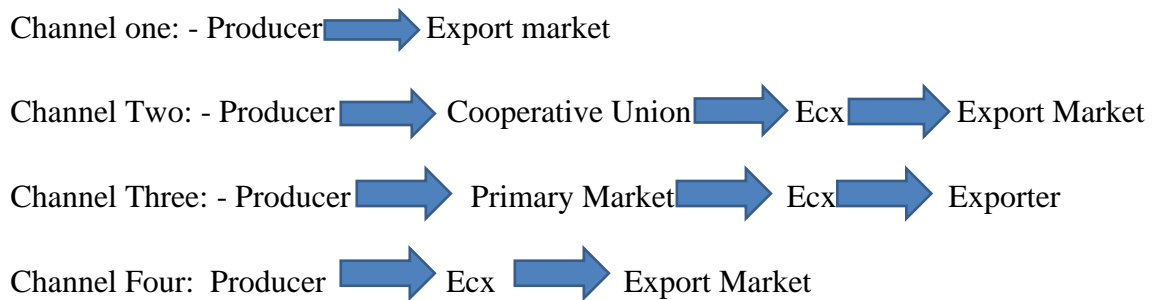


Figure2.6: Sesame Value Chain marketing channels Map

Majority of a shipments deliver through channel three, because of substantial proportion of products produced by small size farmers. They owned limited amount of quantity and are obligated to sell through Ecx. If a producer has a capacity, they able to sell through channel 1,2 and 4. The below picture demonstrates who is the main actors in the existing value chain, organizational linkage and coordination and main service providers to support the core business.

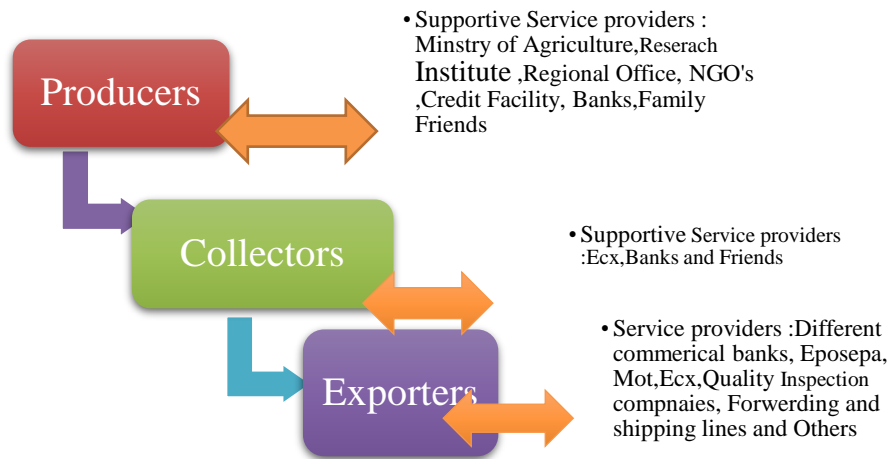


Figure 2.7: Active Value chain actors and service providers

2.7.1 Producers/ Farmers

Producers include the small holders and commercial farmers who sell their products to small village trader or collectors. In some cases, producers sell directly to oil millers and brokers/wholesalers without the use of collectors. They also sell their products in small quantity to oil millers, cooperatives/Union. Commercial farms do have better bargaining power than small producers and hence, they directly or through EcX, International Market.

2.7.2 Unions/Cooperatives

Cooperatives are participants of producers, it activities gather sesame from producers, and available a product and transfer a title through different options like Sell at the primary market (Spot market), EcX trading floor or supplying directly to the international market.

2.7.3 Village Traders or Collectors

The primary market is a well-designed and restricted place where a producer, collectors, and cooperative union makes a sesame transaction only in this reserved place. At this place, collectors bought sesame from producers and cooperatives. , Market The collectors are obligated to collect products only at the primary market and must have a legal entity to participate in the market. , it is a marketplace where sesame is brought by producers to sell to legally recognized collectors. While the existing rule enforces a collector to keep a stock in the nearby EcX warehouse.

2.7.4 Processors/Exporters

The main function of exporters assures the supply of Ethiopian origin sesame to foreign markets along with specified standards. They are either private or public entities, at the current situation the majority of exporters bought sesame through Ecx. Exporters transform a raw sesame seed into the export standard product to participate in the global market.

2.8 Value chain Service providers

2.8.1 Ethiopian Commodity Exchange

It is a marketplace, where buyers and sellers come together to trade, assured of quality, delivery, and payment. ECX's action is to connect all buyers and sellers in an efficient, reliable, and transparent market by harnessing innovation and technology. An aggregators, potential investor and cooperation brings their crop to Ecx warehouse, it requires test and make an assignment to identify a grade. Ecx has different warehouse at different location throughout producing areas and a trading bench mark a crop warehouse and grading of a crop.

2.8.2 Credit providers at Grass Root Level

Farmers, investors, and collectors they are getting finance from either from legal credit providers or illegal finance providers for their operations. In Amhara, Tigray regions there are credit facilitating institute to support the activity. Sorsa argued that all the value chain actors starting from farmer up to exporter complain about a shortage of working capital and a lack of access to proper and efficient financial services (Sorsa, 2009).

2.8.3 Commercial Banks

There are around 17 different commercial banks and 1 development banks an exporter, potential investors get financial access through collateral. Exporters to participate in international business commercial banks provide pre-shipment finance through either signed contract or letter of credit.

2.8.4 Shipping line

Ethiopia located at very strategic position and easily access Middle East, Europe and Asia sesame market. Ethiopian rule and regulations allow import business for shipping restricted for Ethiopian shipping and logistics enterprise and a national flag carrier enjoy monopolistic market structure and the export market open for any interested carrier. There are around 15 well know international carrier in Ethiopian and Djibouti market and 11 of them they are actively participate in import and export business. Sesame is the 2nd and the largest export volume item in a nation and estimated more than 95 % of total volume available for export market and a nation have two options to deliver a cargo either Djibouti or Port Sudan ports. Competitive sea freight, weekly vessel schedule, availability of empty container, operation and logistics structure, port and custom working conditions and the attitude of workers in port areas affect sesame export performance either in negative or positive ways and assist to create additional value or reduce the competitiveness. Shipping industry for export business characterized by exporter gets competitive sea freight from different international carrier and also getting available empty containers at loading ports.

2.8.5 EPOSEPA

In 1998 different oil seeds, pulses, spices processors exporters form an association with the aim of capacity building for its members at the International market. According to Elias (2005) this organization known as EPOSEPA, provides information regarding local and international sesame production, market price, trend, market insight and outlook to develop the competitiveness of Ethiopia and individuals' exporters. Besides, this entity arranges a business trip to create a new market opportunity and conduct every year international business conference

2.8.6 Freight Forwarder and Custom Clearing Agent

The freight forwarder companies supervise the export cargo movement starting from customer premises up to it reach the loading port. Exporters give a mandate to freight forwarders to act on behalf of shippers/exporters. Negotiate a sea freight, checking vessel schedule, packing, request empty containers, stuffing, check all paperwork and make the appropriate task for custom formality are the main task of freight forwarders

2.8.7 Quality Inspection and Control Company

Quality inspection companies evaluate the status of an export shipment, assure a product and clean fulfill specification. Similarly, the respected government office assures the conformity of the products fit for the export market from Ethiopian origin and waving green light to deliver a shipment to the loading.

2.8.8 Transport Providing Companies

Transport is one of the vital elements of economic development. To reach final destination sesame have to require inland transport to move products from producers up to loading port. It plays a very significant role to facilitate trade. When we examine the movement of sesame up to it reach loading port, participant obligated to use inland transport. A product up to reach loading port it takes about 1000-1500 kms. Transport costs to Djibouti port are indicated as USD 35 per ton, but mostly the transport costs function depends on the availability of a trucks even the stated price (Biersteker &Wijnands,2007).

2.8.8 MOT, MOA & Custom and Inland Revenue office

The above-stated organizations are playing governing the existing sesame value chain practice of Ethiopia by facilitating, controlling, and upgrading the sesame value chain. Ministry of Trade and Industry monitor the market &export performance and rewarding trade license for trade participants on the export sector or local markets. Ministry of Agriculture assures the sustainability of sesame production and improves the quality of a crop, increases the volume of production. Custom and Inland revenue monitoring and controlling the export item, assure a product fulfills the required country rule and procedures before departure from the country boundary and also facilitates raise the needful special certificate according to an exporters contract agreement. For example, there is a trade agreement between China and the Ethiopian government to enhance a trade linkage between two nations and a Chinese government provides duty-free privilege for Ethiopian export item, sesame is one of a product had got comparative advantage through duty-free privilege to get a better market share for the Chinese market. Duty-free privilege contributes more than 65% of total sesame export volume deliver to china and Ethiopia also the number one top importer to the Chinese market.

2.9 Challenges and Opportunities in the existing sesame value chain

The existing Value chain has a significant role to add the below identifies an opportunity for the success of Ethiopian sesame seed.

- ✓ The country still has the additional arable land to grow sesame in different parts of the country. In addition, Soresa (2009) on his studies outlined that the humera type of sesame has considerable demand at international market. at the international market.
- ✓ Ethiopian origin sesame seed has good taste, aroma, and better market acceptance at the International market (Beresteker,2009).
- ✓ The pre-shipment arrangement, Duty-free privilege, zero default transaction at Ecx more encouraging element to facilitate the competitiveness of Ethiopian origin sesame seed.

Different studies stressed that two main elements affect the competency and the productivity of Ethiopian origin sesame seed at the International market (Breesteker,2009; & Genet,2015; Kindie,2007; Terefe,2016)

- ✓ The existing sesame value chain has a traditional market infrastructure.
- ✓ Adulteration and mixing several types of sesame.
- ✓ Default is one of the features of the Ethiopian export market and exporters were sold their crops below the breakeven point.
- ✓ Sesame price is not determined by the force of demand and supply, while the market price act beyond the international market.
- ✓ Lack of market information, shortage of transport, poor infrastructure for the road network and warehouse facilities. High inland transport and handling cost one of the features of the export market.
- ✓ Ethiopian sesame production and marketing characterized by low yield production, long and outdated market structure and depend on rain feed agricultural, face irregular rain, price fluctuations.

CHAPTER THREE

RESEARCH DESIGN AND METHODS

Description of the Study Area

Based on the research problem and objective of the study formulated in chapter one, this section of the research paper proposes a framework or blueprint for conducting the research under consideration effectively and efficiently. The Study was carried out the assessment of value chain practices of sesame export market in northern parts of Ethiopia. Ethiopia grows different variety of sesame such as Humera type, Wollega and Reddish type of sesame seed. Humera take major proportion of total production it shares around 65-72% of total production and the 27- 34% shared by Wollega type of sesame seed and the remaining portion covered by reddish type

3.1 Research Design

The researcher has used descriptive research design type. It is best suit to collect precise information to assess value chain practices of sesame export market and to identify several factors impact on value chain performance of sesame export market.

The researcher was used mixed research method includes: -

- Qualitative research method focuses to understand, explain, discover and assessment of value chain actors and service providers practices of sesame export market in northern part of Ethiopia. The flexibility of the approach assists to obtain different information from respondent. Moreover, it assists to have depth knowledge about research areas. The researcher fulfills the requirement of qualitative research approach through conduct an interview with main service providers like MOT, ECX, EPOSEPA, Commercial Banks, Shipping Line & Quality Inspection Companies.

- Quantitative research method assists to get specific, well structure information from respondent and assists to manipulate for statistical analysis. In addition, the technique tends to be very economical and distributes substantial number of questions to many respondents and helps to get better feedback from respondents. To get specific information

regarding the value chain practice from producer, Aggregators and Exporters the researcher will distribute Questionnaire.

3.2 The Population of The Study

This study includes the following Characteristics

- ❖ The Geographical coverage of this study includes northern part of Ethiopia (Khafta Humera) and Addis Ababa.
- ❖ The study participants are categorized into value chain actors and service providers.
- ❖ An exporter includes on this population an assumption of those actively engage in export market instead of licensed exporters.
- ❖ The population include 120 small and large size producers (60 Small size farmers and 60 commercial farmers located in Khafta Humera areas),70 aggregators/collectors (Khafta humera area) ,100 activities exporters,2 MOTI Managerial desk,17 commercial banks,1 EPOSEPA managers and 12 shipping & forwarding companies and three quality inspection companies, 1 Ecx communication managers.

The researcher selects the above stakeholders in existing value chain, the stated actors and service providers more influential to determine sesame export and Value chain practice.

3.2.1 Units of Analysis

The unit of analysis of this study includes Farmers, Aggregators, Exporters and Ecx³, Forwarding and shipping Line, EPOSEPA⁴ and MOT⁵, commercial Banks, Quality inspection companies in Addis Ababa and northern west part of Ethiopia for the last three years (2009-2011) Julian calendar.

³ Ethiopian Commodity Exchange

⁴ Ethiopian Pulses, Oil seeds and Spices Processors, Exporters Association

⁵ Ministry of Trade

3.3 Sample and Sampling Technique

A sample is a subset, or some part of a larger population. The process of sampling involves using a portion of a population to make conclusions about the entire population (Zikmund, 2009). It is difficult to conduct a study by addressing the entire population, it is important that to represent the entire population through sample. If a population from which a sample is to be drawn does not reflect a homogenous group, it is recommended to use stratified sampling technique and assure to obtain a representative sample. Hence the subject study population reflect heterogeneity among each stratum the researcher prefers to used stratified sampling technique and each stratum strongly show more homogenous characteristics within each sub-population and the proportional allocation was simply determined by simple random sampling technique (Kothari, 2004).As previously discussed, the population size of the study is known since the researcher identify the list of those population who participate in the assessment of value chain practice of sesame export market in Northern part of Ethiopia over the last three years in Addis Ababa and northern west part of Ethiopia. Hence the sample size for known and large population could be calculated using the below formula presented

$$n = \frac{N}{1 + N(e)^2}$$

Where, n is number of respondents in the assessment of value chain practice (Either they are actors or service providers),

N is the total number of populations involve in the value chain analysis of sesame export market in northern part of Ethiopia = 325

e is the precision level. A 95% confidence level was taken and e= 0.05,

Then n= 180

The total sample size of respondent on the bases of the above sample size determination will be 180 respondents.

Sample population that have role in the assessment of value chain practice of sesame export market in northern parts of Ethiopia.

Table: 3.1: Stratified Proportional Sampling Method

<i>Name of the samples</i>	<i>Total population Size</i>	<i>Sample size Proportionally Allocated</i>	<i>Sample Size</i>
<i>Smallholder and Commercial farmers</i>	<i>120</i>	<i>37%</i>	<i>66</i>
<i>Exporters</i>	<i>100</i>	<i>31%</i>	<i>55</i>
<i>Aggregators</i>	<i>70</i>	<i>21%</i>	<i>39</i>
<i>Commercial Banks</i>	<i>17</i>	<i>5%</i>	<i>9</i>
<i>Shipping Lines and Forwarders</i>	<i>12</i>	<i>4%</i>	<i>7</i>
<i>Quality Inspection Companies</i>	<i>3</i>	<i>0.92%</i>	<i>2</i>
<i>MOT</i>	<i>2</i>	<i>0.61%</i>	<i>1</i>
<i>EPOSEPA</i>	<i>1</i>	<i>0.31%</i>	<i>1</i>
<i>ECX</i>	<i>1</i>	<i>0.56%</i>	<i>1</i>
<i>Total population</i>	<i>326</i>	<i>100%</i>	<i>180</i>

Source: Home computation

3.4 Type of Data Source

The researcher uses both primary and secondary data source method. The primary data includes information from questionnaires and interview. The secondary data was collected from different published and unpublished documents information from internet, books/ eBooks, Articles, MOTI, MOA⁶, from previous study and research papers and Articles and miscellaneous material available in the library.

3.5 Method of Data Collection Instrument

The researcher has made questionnaire and in-depth interview questions. In order to achieve the objective of the study. The primary data were collected by using both questionnaires and in-depth interview.

An interview supports the researcher to get free flowing information with respondent. A questionnaire was applied Likert style, open and close ended question format and was distributed for Producers, Aggregators and Exporters. Research enquires to be clearly understood and to get

⁶ Ministry of Agriculture

appropriate responses from producers and aggregators questionnaires were translated from English to Amharic. Secondary data was collected through different records of Ethiopian sesame production and export market trend for different years, and data was obtained from the following organizations. NGO, ATA⁷, MOT, EPOSPEA, ECX, NBE⁸.

3.5.1. Questionnaire

To collect primary data, questionnaires was developed for Producers, Aggregators and Exporters. The questionnaire contains Likert, closed-ended and few open-ended questions. Khan emphasis that questionnaire is the most appropriate instrument to obtain different opinions and feedback with in a relatively short period of time (Khan, 2013).

3.5.2 In-Depth Interview

The main advantage of in-depth interview is it helps to get more detailed information. The main advantage of in-depth interview is getting more detailed information relatively than which is available through other data collection method (Genet, 2015). Twenty interviewees were selected purposely from different organizations they are engaged on the activity of rendering service for value chain actors either directly or indirectly. It enables to get the right information in detail. Interview guides incorporating semi-structured questions were prepared to obtain qualitative information from; one Ethiopian Commodity Exchange Manager, nine different Commercial Banks IBD⁹ Managers, One Ministry of Trade Desk and One EPOSPEA Managers, Two Quality Inspection Company and Seven Shipping/Forwarding companies.

3.6 Method of Analysis

The Data gather in relation to major objective of the research, assessment value chain practices of sesame export market in northern part of the country through questionnaires was analyzed, interpreted, presented used descriptive statistics analysis in the form of tables, diagram using SPSS version 20.0 and Excel. Software whereas demographic characteristics was summarized

⁷ Agriculture Transformation Agency

⁸ National Bank of Ethiopia

⁹ International Bank Division

using frequencies and percentages on various dimension. For the qualitative part an interviewed with different service providers and the researcher was used the thematic analysis method and interpret accordingly.

3.7 Ethical consideration

All the study participants were informed about the purpose of the study and request consent. The respondent has the right to refuse or terminate at any point of the data collecting. Concerning the right to anonymity and confidentiality, the participants was not required mentioning and writing their names on the questionnaire and interview and assure that their responses was not in any way be link to them. The dissemination of the finding was not referring to specific respondent. In any case, the aim of the study, confidentiality issue, and informed consent was explained and ensure to the study subjects.

3.8 Dissemination plan

The result of this study will be presented to St. Mary's University, School of Business Administration. It is also plan to disseminate for any concerned body

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

The chapter consists of five sections: measurement of the research reliability and Validity, data analysis related to the profile of value chain actors, data analysis related to role of value chain actors and evaluation the activities of service providers and finally presentation of responses of interview and open-ended questions.

The main focus of this chapter is on Presentation, Analysis, and Interpretation of the survey on the assessment of value chain practice of sesame export market in northern parts of Ethiopia. For the purpose of the study 175 copies of the questionnaire were distributed 70,60 and 45 questionnaires to farmers, exporters, and aggregators, respectively. To reduce the non-response/return rate in this research, the researcher distributes additional 15 questionnaire beyond sample size (160) for the above stated value chain actors. Accordingly, out of the 160 questionnaires 3(1.8%) remain unreturned and 157 (98.12%) were fully completed and returned, as a result of which the analysis was made on those questionnaires which were fully completed and returned. After making proper screening on those questionnaires which were fully completed and returned data were fed into SPSS (version 20) and Excel for computation. Descriptive statistics was used to analyze the data.

The actual sample size to conducted an interviews was 20 service providers , but I researchers able to address 17 service providers like; one Ethiopian commodity Exchange, two Ministry of Trade and Industry (Export promotion directorate and oil seed Desk), two National Bank of Ethiopia managers and five different Commercial banks, two Quality inspection companies, four shipping and forwarding companies and finally made an interview with Ethiopian oil seed, pulses, spices processors exporter association. Personal contact was made with service providers, farmers, aggregators, and some selected exporters; for the rest of exporters questionnaires distributed through electronic email.

4.1 Research Validity and Reliability

4.1.1 Research validity

Validity can be assessed using theoretical or empirical approaches. Theoretical assessment of validity focuses on how well the idea of a theoretical construct is translated into or represented in an operational measure (Anol, 2012). In this regard the validity of the current study was addressed through the review of literature, earlier work & theoretical thinking. The researcher triangulated different thought through observation, made an interview with different stakeholders those thought to support validate the instrument.

4.1.2 Research Reliability

One of the most commonly used indicators of internal consistency is Cronbach's alpha coefficient. Identically, Cronbach's alpha coefficient of a scale should be above 0.7 (De Villis R.F, 2003). The alpha value of this research is illustrated below, and which shows a good reliability.

Table 4.1: Research reliability for Value chain actors

Producers Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.750	.763	129
Aggegators Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.716	.661	99
Exporters Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.725	.715	55

4.2 Data Presentation, Analysis, and Interpretation

In this section data presented and analyzed respondents' Demographic Characteristics, presented main activities for value chain actors along with the main activity season for their actions, evaluate the performance of service providers & exporters and reflect respondents' reflection for the existing value chain strength and weakness.

The structure of the section is based on sequential order presented, analyze, interpretation firstly demographic characteristics for producers, aggregators and exporters respectively and then followed analyzed and presentation on sequential order for each value chain as it mentioned earlier.

4.2.2 Producers' Demographic profile

Respondents were asked about their Age, Educational level, Family Size and Martial Status. Their responses to such questions were summarized in the following table

Table 4.2: Producers' Soico -Demographic Characteristics Profile

Age of Respondents		Frequency	Percent
Valid	18-30 Yrs.	16	24.7
	31-50 Yrs	44	66.7
	51-65 Yrs	1	1.5
	Above 65 Yrs	5	7.6
	Total	66	100.0
Educational Level of producers		Frequency	Percent
Valid	Can't Read and Write	16	24.2
	Grade 1-8	22	33.3
	Grade 9-12	17	25.8
	Diploma	10	15.2
	Degree	1	1.5
	Total	66	100.0
Marital Status		Frequency	Percent
Valid	Married	43	65.2
	Single	16	24.2
	Divorced	4	6.1
	Widowed	3	4.5
	Total	66	100.0
Family Size		Frequency	Percent
Valid	2-4	47	71.2
	5-6	4	6.1
	7-10	14	21.2
	Above 10	1	1.5
	Total	66	100.0

Source: Survey report from producers

As can be seen in the above table: -

Greater proportion of the respondents 44 (66.7%) are aged between 31-50 years, 16(24.7%) between 18-31 years, 5(7.6%) of the respondent producers above 65 years of old. Concerning their education level 22(33%) the respondents between Grade 1-8, 16 (24.2%) of the respondent are not able read and write, 17(25.8%) of the respondents' level of education between grade 9-12, and 10(15.2 %) of the producers have college diploma holders. 43 (65.2%) married, 16(24.2%) of the respondent are single, 4(6.1%) and 3(4.5%) of the respondent they are divorced and widowed, respectively. 47(71.2%) of the respondents their family size between 2 and 4, 14(21.2%) of the respondent they had 7-10 family size. The above finding implies that majority of the respondent exist at active age group and it is one indicative factor to get active workforce for sesame production. In addition, on the bases of the finding most of the respondent can able to

read and write and will make valuable contribution to conduct training and development, if any stakeholders show interest to improve the productivity of a crop and livelihood of a farmers. Wijnands (2007) emphasized that Ethiopian sesame production is characterized as labor intensive, While the finding in this study supports that the role of laborer critical for sesame production, the actual agricultural practice highly depends on labor to removing weed, harvesting, and threshing a crop. So, large family size producers get better opportunity to engage their family members to these agricultural activities during a shortage of daily laborer in the market. A shortage of daily laborer one of the main factors to determine the yield of sesame more than 98% of the respondent they have 2-10 family member they have significant role to improve yield of a product.

4.2.3 Aggregators' Demographic profile

Sesame collectors / Aggregators were asked about their Age, Educational level, Family Size and Martial Status. Their responses to such questions were summarized in the following table

Table 4.3: Aggregators' Socio -Demographic Characteristics Profile

Age of Aggregators		Frequency	Percent
Valid	18-30 Yrs	13	33.3
	31-50 Yrs	23	59.0
	Above 65 Yrs	3	7.7
	Total	39	100.0
Educational Level of Aggregators		Frequency	Percent
Valid	Can't Read and Write	4	10.3
	1-8 Grade	15	38.5
	9-12 Grade	7	17.9
	Diploma	6	15.4
	Degree	7	17.9
	Total	39	100.0
Marital Status		Frequency	Percent
Valid	Married	21	53.8
	Single	9	23.1
	Divorced	5	12.8
	Widowed	4	10.3
	Total	39	100.0
Family Size		Frequency	Percent
Valid	2-4 Individuals	21	53.8
	5-6 individuals	2	5.1
	7-10Individuals	12	30.8
	Above 10 Individuals	4	10.3
	Total	39	100.0

Source: Survey report from Collectors /Aggregators

Based on the findings in the table 4.3:

Majority of the respondents 23 (59%) are age between 31-50 years, 13(33.3%) are between 18-30 years, 3(7.7%) of the respondents are above 65 years of old. Regarding their education level 15(38.5%) the respondents are between Grade 1-8, 7(17.9%) the respondents' level of education is between 9-12 and similarly 7(17.9%) the respondents had Degree, and 6(15.7%) of the respondents had college diploma and for the rest 4(10.3%) of collectors are not able to read and write. On the bases of the above finding majority of aggregators educated and able to understand the market and production situation and able to make their own judgment and analysis before conducting a transaction.

4.2.4 Exporters' Demographic profile

Exporters in the study were asked to their Age, Educational level.

Table 4.4 reveals that the age and educational level distribution of the respondents

Age of Respondent		Frequency	Percent
Valid	18-30 Yrs	15	28.8
	31-50 Yrs	33	63.5
	51-65 Yrs	2	3.8
	Above 65 Yrs	2	3.8
	Total	52	100.0
Educational level		Frequency	Percent
Valid	High School	8	15.4
	College Diploma	8	15.4
	Bachelor's Degree	17	32.7
	Master's	19	36.5
	Total	52	100.0

Source: Survey report from producers

As can be seen in the above table:

33 (63.5%) of the exporters age between 31-50 years, followed by 15(28.8%) are between 18-31 years, on the other hands exporters who are 51-65 years and above age of 64 years forms 2(3.8%) of respondents simultaneously. The result reveals that more than 96 % of exporters their age exist on productive, energetic, and easily familiarize with international market requirement. The study reveals that 19(36.5%) of the respondent have master's degree and 17(32.7%) of the respondent holds college Diploma and 16(15.4%) exporters holds college Diploma and finished

high school, respectively. The study shows that more than 84.6% the respondents are well educated and is benefited to expand export market, understand the market.

4.2.4.1 Exporters' General Information

Exporters were asked in the study how many numbers of employees operate in the organization, the size of export volume and finally asked how long the respondent been stay in the market.

Table 4.5 show that respondents export volume, organizational size & experience in the market.

How long have your organization been in the business			Employees operate in your Organization				Total	Frequency
			1 to 10	10-20	20-30	More than 30		
3-5 Years	Size of your Sesame Export	1000-2000 MT	4	1	2	3	10	
		2000-5000MT	2	1	3	6	12	
		Above 5000MT	1	0	1	5	7	
	Total		7	2	6	14	29	
Frequency		24.20%	6.80%	20.70%	48.30%	100%	55.60%	
6-10 Years	Size of your Sesame Export	1000-2000 MT	0		0	1	1	
		2000-5000MT	1		2	0	3	
		Above 5000MT	0		1	0	1	
	Total		1		3	1	5	9.60%
Frequency		20%		60%	20%	100%		
11-20 Years	Size of your Sesame Export	Below 1000 Mt	0	0	0	1	1	
		1000-2000 MT	1	0	0	0	1	
		2000-5000MT	0	1	3	0	4	
		Above 5000MT	0	0	2	6	8	
	Total		1	1	5	7	14	26.90%
Frequency		7%	7%	36%	50%	100%		
Above 20 Years	Size of your Sesame Export	Above 5000MT				4	4	
		Total				4	4	7.90%
Frequency					100%		100%	
Total	Size of your Sesame Export	Below 1000 Mt	0	0	0	1	1	2%
		1000-2000 MT	5	1	2	4	12	23%
		2000-5000MT	3	2	8	6	19	37%
		Above 5000MT	1	0	4	15	20	38%
	Total		9	3	14	26	52	100%
Frequency		17%	6%	27%	50%	100%		

Source: Survey report from Exporters

Table 4.5 show that 26 (50%) the respondents have more than 30 employees, 20 (38.4) % of the respondent their sesame export volume above 5000 Mt and 29 (55.7%) of the respondent they stay in between 3 to 5 Years. While 26.9% of exporters they have 10-20 employees, 36.5% of

respondents' annual export volume range between 2000-5000 Mt and 26.9 % of exporters they have been in export market from 11 to 20 years.

Table 4.5 indicate that substantial number of exporters stay in the market less than five years and lack of experience in export market, and the data implies that the sector easy to enter for it attracts a newcomer. Yet, it creates a pressure to declining bargaining power of Ethiopian exporter and exposed them to incur loss due to unethical competition which scramble hard currency. The above finding strongly support by various interviews with managers of National Bank of Ethiopia, different commercial IBD Managers, even, interview was engaged with Ministry of Trade and Industry (2019) emphasized that newcomers crowd sesame export market. So, for they have lack of experience of the international market, they only make a consideration to generate hard currency. In the process selling through under -invoice for FOB Market disturbs a local market. However, such kind of exporters, have a capacity to trade significant amount of volumes. Meanwhile majority of exporters they deliver above 5000 Mt of sesame and it indicate they are enormous size sesame export and it require wise decision to fix the problem

4.3 Value Chain Actor's Role

4.3.1 The Role of Sesame Producers and activities Calendar

The study has made enquiry regarding respondent sesame activities like Land Cleaning, Ploughing, Sowing, Weeding, Harvesting, Threshing, Marketing, Low Marketing, Medium price, High price, and Transport shortage season/s

Table 4.6: Sesame Producer activities calendar

Producers Activities	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Clearing Land	0%	0%	0%	0%	2%	0%	3%	18%	46%	30%	0%	0%
Ploughing Season	0%	0%	0%	0%	0%	0%	0%	0%	0%	64%	33%	3%
Sowing Season	0%	0%	0%	0%	0%	0%	0%	0%	0%	50%	47%	3%
Weeding Season	18%	0%	0%	0%	0%	0%	0%	0%	0%	5%	42%	35%
Harvesting Season	42%	52%	6%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Threshing Season	11%	46%	35%	6%	2%	0%	0%	0%	0%	0%	0%	0%
Marketing Season	1%	12%	18%	14%	11%	8%	7%	7%	6%	6%	5%	5%
Low Selling Price Season	0%	22%	31%	19%	10%	10%	5%	3%	1%	0%	0%	0%
Medium Price Season	0%	0%	0%	4%	22%	24%	11%	13%	10%	6%	5%	4%
High Price Season	0%	0%	0%	0%	0%	0%	13%	29%	31%	22%	4%	2%
Transport Shortage Season	3%	34%	44%	18%	1%	0%	0%	0%	0%	0%	0%	0%

Source: Survey report from producers

As indicated in the above table a Producer substitutional proportion they are clearing a land at the month of May and June 46% and 30% respectively. When a land clear during this period a land more suitable to produce better yield. Almost all producers in the study area are plowing a land in the month of June (64%) and July (33%). Sesame highly depends on weather condition if a farmer misses the right plowing period, they obligated to shift to other crops. Sowing must conduct after two or three week later a farmers/producer plowing a land and then 50% of a producer sowing in June and while 47% sowing at the month of July. Weeding are one of the main factors to determine the yield of sesame if a producer weeding properly, there may be a high chance of getting better yield during harvest period. Mostly a framer conducting two -three weed removing activities per production period. Table 4.6 reveals that a producer removing weeds in July 42%, August 30%, and September 18%, respectively.

When a sesame reaches at harvest stage, due to a nature of a product a producer gets zero tolerance and easily shutter and expose for post-harvest lost. So, a farmer must make harvesting process as soon as possible. As it presented in the above table farmers harvest 52% in the month of Oct and 42% in Sep. Threshing the final stage in the production of sesame just like harvesting, it must be done as soon as it becomes dry. Mostly, a sesame is ready for threshing within 15-20 days after harvest. Just like weeding, harvesting threshing also highly depends on the availability of daily labor. As presented in the table 4.6 vast majority of the respondents threshing in Oct 46% and 35% said they thresh in November.

A producer engages in market to sell their product throughout the year. While on the bases of the above table market reach at its peak during the period of Nov (18%), Dec (14%) and January 11%. Information elicited from respondents in the study the producers said that low price season mostly happen during in the month of Nov 31%, Oct 22%, and 19% December, respectively. As a result of a new crop enter in the market, the availability of sesame create price is lower for the above mention month. On the other hand, it was reported in the above table sesame price high in May 31%, April 29%, June 22%, respectively. During this period as result of high demand and the size of crops decline in the hand of producer create a pressure a price to be high.

Table 4.6 reveals that a producer face shortage of transport considerable proportion in Nov 44 %, while October 34% and 18% in December. Transport is one of the main challenges for sesame

production and market. Genet support the above finding on her studies by stating that shortage of transport one of the factors to create a challenge for sesame production and marketing (Genet, 2015).

4.3.1.1 Type of sesame Producer, size of allotted land and Yield

Respondent in Khafta-Humera were asked to provide information regarding the type of producers, the number of plots they have, yield/productivity of their farm. This is provided in table 4.7

Table 4.7: Type of sesame producer, allotted land and yield of land.

Productivity of your farm			Type of sesame Producers		Total	Freq
			Small Holders	Commercial Farmers		
Below Three Quintal/Ha	Land Allotted Size	1 Ha	1	0	1	
		2-5 Ha	10	0	10	
		6-10 Ha	2	0	2	
		Above 10 Ha	1	5	6	
	Total		14	5	19	
Frequency			73.7%	26.3%	100%	
4 Quintal /Ha	Land Allotted Size	2-5 Ha	8	0	8	
		6-10 Ha	2	0	2	
		Above 10 Ha	1	2	3	
	Total		11	2	13	
	Frequency			84.6%	15.4%	100%
5 Quintal/ Ha	Land Allotted Size	2-5 Ha	13	0	13	
		6-10 Ha	3	1	4	
		Above 10 Ha	5	3	8	
	Total		21	4	25	
	Frequency			84%	16%	100%
Above 5 Quintal/Ha	Land Allotted Size	1 Ha	1	0	1	
		2-5 Ha	3	0	3	
		6-10 Ha	3	0	3	
		Above 10 Ha	1	1	2	
	Total		8	1	9	
Frequency			89%	11%	100%	
Total	Land Allotted Size	1 Ha	2	0	2	3%
		2-5 Ha	34	0	34	52%
		6-10 Ha	10	1	11	17%
		Above 10 Ha	8	11	19	28%
	Total		54	12	66	100%
Frequency			82%	18%	100%	

As shown in the above table 4.7, the majority 54(82%) of producers are small size farmers and while 18% of the respondent are commercial farmers.34 (51.5 %) of the respondent who claimed owing between two-five Ha of lands. Likewise, 19(28.78%) of producers are owing above 10

Ha of land. And only 3% of the respondent who claimed owing 1 ha of land to produce sesame. The disaggregation of the sesame producer in the category of yield as presented in the above table Small size farmers get better yield compare with commercial producers. 38.8% of Small size farmers get 5 quintals of sesame /Ha, 14.8 % of Small size farmers get above 5 quintal and only 25.9 % of Small size farmers respondents get below 3 quintals of sesame /Ha. In sharp contrast 41.6% of commercial farmers were get below three quintals of sesame /Ha, while 33.3 % of commercial farmers were get 5 quintals of sesame and only 8.3 % of commercial farmers produce more than 5 quintals of sesame/Ha.As observed in the above table productively for both producers are illustrated that 25 (37.8%) of the respondent produce 5 quintals of sesame/Ha, 19(28.7%) of the respondent produce less than 3 quintals of sesame/Ha, while 19.7% of the respondent produce 4 quintals of sesame /Ha and only 18.7 % producer produce above 5 quintals of sesame. The study implies that majority of the respondents 76 % produce above 4 quintals of sesame. Even if, the productivity of a farm decline from year to year, Ethiopia get better yield. Similarly, Sorsa on his studies highlighted that humera area producers earned around 4 quintal/Ha (Sorsa, 2009).

4.3.1.2 Type of buyers, Source of information, Price of premium product at primary market

Producers were asked the type their sesame buyers and the selling price at primary market get attractive price for premium quality. Table 4.8 illustrate the response.

Table 4.8 cross tabulation shows buyers of producer's product & price of premium quality at primary market

Buyer of Your Product * Primary Market Offer Reasonable Price for your premium product Crosstabulation					
Primary Market Offer reasonable price for premium product			Yes	No	Total
Buyer of your Product	Aggregators	Count	22	24	46
		% of Total	33%	36%	70%
	Cooperatives	Count	12	3	15
		% of Total	18%	5%	23%
	Directly to Ecx	Count	2	0	2
		% of Total	3.0%	0.0%	3.0%
	Commercial producers	Count	3	0	3
		% of Total	5%	0%	5%
Total		Count	39	27	66
		% of Total	59%	41%	100%
Source of Market Information (Frequency)					
Source of Market Information		Frequency	Percent		
From Friends			43	65.2	
From Radio and Television			15	22.7	
From Buyers			5	7.6	
From Ethiopian Commodity Exchange			3	4.5	
Total			66	100.0	

The above finding indicates that 46 (70%) of the respondents sold their sesame to aggregators at primary market, while 15 (23%) of the respondents sold their sesame to cooperative, and then followed by 2(3%) of the respondent directly sold through Ethiopian commodity exchange. Only 3(5%) of producers sold their product to commercial farmers. Meanwhile 39(59%) of the respondent got attractive price when they supply premium quality at primary market. Whereas 27 (41%) of the respondents did not get attractive price. On the bases of the above table 65% of the respondent got valuable market information from friends, 23% of the respondent from Radio and Television, while aggregators at primary market share market information to producers and represent by 8 % and while for the remaining 5% of the respondent got market information from Ethiopian Commodity exchange. The study finding implies that producers sold their crop to aggregators at lower price and exposed for market manipulation. Similarly, exporters and EPOSEPA managers share their point of view for open ended and interview questions; they emphasized that it is better a producer sell directly either to exporters or international market to contribute for value chain costs and increase the competitiveness of exporters. According to the interview engaged with Netsanet, Ecx communication director emphasis that to increase the competitiveness of export market they are looking for a way to encourages farmers directly to supply and trade through Ecx trading floor. Their entity installs different mechanism for the accessibility of market information at grass root level but in the contrary the finding in the above table reflect farmers got insignificant level information from Ecx. In addition, as per Ecx working standard if farmers are interested to supply a product through Ecx, are required to supply or trade minimum one lot (50 quintals). But in the bases on the above finding a farmer's max had own 25 quintals per Ha. So, the current commodity exchange working platform does not create a room for majority of producers unless the institute change their policy.

4.3.1.3 Kind of Product for Crop Rotation and Dependent factors to produce sesame

Respondents were asked kind of products for crop rotation and dependent factors for sesame production. (Table 4.9)

Table: 4.9 Cross tabulation of respondents for kind of products for crop rotation and dependent factors for Sesame Production

Type of Product for Crop Rotation	Responses		Percent of Cases
	N	Percent	
Sorghum	63	72.4%	96.9%
Cotton	11	12.6%	16.9%
Green Mung	13	14.9%	20.0%
Total	87	100.0%	133.8%
Dependent Factor for Sesame Production	Responses		Percent of Cases
	N	Percent	
Price	29	28.2%	43.9%
The Price of substitute crop	4	3.9%	6.1%
Weather condition	41	39.8%	62.1%
Daily Labour	4	3.9%	6.1%
Seed availability	25	24.3%	37.9%
Total	103	100.0%	156.1%
a. Dichotomy group tabulated at value 1.			

Source: Survey report from producers

The above table were revealed that 97 % of crop rotation preferred by producers to grow Sorghum, 20 % crop rotation used by Green mung bean, & 17% prefer to grow cotton by producer's respectively . Similarly the study has also endeavored to identify producers the dependent factors for the production of sesame and on the bases of the above finding most of the respondent 62% attributed for weather condition are main factors to determine the production of sesame , 44% of the sesame production are determined by the price of sesame in the market, while 38% of producers said seed availability determine the production of sesame.

4.3.1.4 The Performance of Service Providers in the case of Producers

The study has made enquiry regarding respondents whether they get supportive service from different service providers office or not, While the respondents were request their level of satisfaction for the performance for service providers and finally analyze the list of service providers.

Table: 4.10 service providers performance level and get supportive service

Service Providers Performance Level * Get supportive Service Crosstabulation					
		Get supportive Service		Total	
		Yes	No		
Service Providers Performance Level	Very Weak	13.6	9.4	23.0	
		3.0%	31.8%	34.8%	
	Weak	4.1	2.9	7.0	
		6.1%	4.5%	10.6%	
	Medium	14.8	10.2	25.0	
		33.3%	4.5%	37.9%	
	Good	4.1	2.9	7.0	
		10.6%	0.0%	10.6%	
	Very Good	2.4	1.6	4.0	
		6.1%	0.0%	6.1%	
	Total		39.0	27.0	66.0
			59.1%	40.9%	100.0%
Producers supportive service providers					
Which office delivers supportive service (a)		Responses		Percent of Cases	
		Percent			
Ethiopian Commodity Exchange		1.9%		2.4%	
Ministry of Trade and Industry		3.7%		4.8%	
Ministry of Agriculture		35.2%		45.2%	
Different Non Government Originazations		29.6%		38.1%	
Research Institute		29.6%		38.1%	
Total		100.0%		128.6%	

Source: Survey report from producers

The respondents were asked in the above table whether producers had got supportive services from different government or Non-Government organizations. The finding indicates that 39 (59%) of the respondents had got supportive services to improve their production and market linkage, whereas 27 (41%) of the respondents do not get supportive services in their production and marketing activities. At the same time, the respondents were asked to evaluate their level of satisfaction for service providers. The result implies 23(35%) of the respondent their level of satisfaction for service providers were very weak, like 7(11%) of the respondent had got weak service facilitation from providers, meanwhile, 25(38%) of the respondent had got moderate service, On the contrary, only 7(10%) and 4(6%) of the respondents respectively had got good and very good service from service providers.

Major service providing offices is illustrated in the above table, 45 % of producers had got service from Ministry of Agriculture, equally 38% of the respondents got services from Non-

Government and Research Institute, while 2 % and 5% of producers had got services from Ethiopian Commodity Exchange and Ministry of Trade& Industry, respectively. The finding implies that still, a producer needs additional supportive services to improve the quality, sustainability of the product. But unfortunately, the role of the Ministry of Trade and Industry and Ethiopian commodity exchange limited and create a gap in the existing value chain.

4.3.1.5 Production and marketing challenges in the case of Producers

Table: 4.11 list of challenges during production and marketing

List of Challenges raised by Producers during Production & Marketing Cross Tabulation		
List of Challenges	Responses	Percent of Cases
	Percent	
Heavy Rainfall	9.4%	77.3%
Rain Shortage	10.6%	86.4%
Wind during threshing	11.5%	93.9%
Weeds	6.1%	50.0%
Shortage of Labor	5.9%	48.5%
Limited Credit access	10.0%	81.8%
Market access	7.8%	63.6%
Shortage of Agricultural input	9.8%	80.3%
Transport Shortage	7.4%	60.6%
Disease	10.7%	87.9%
Post Harvest Lost	10.7%	87.9%
Total	100.0%	818.2%
a. Dichotomy group tabulated at value 1.		

According to table 4.11, the respondents are reflecting several factors affect sesame production and marketing. In relation to the production of sesame producers identified several factors, however, the researcher only selects few factors that highly affects the production and marketing of sesame at producers' level. 94% of the respondents emphasized, wind during threshing period, 88% of the respondent are said diseases and post-harvest losses affect the yield the product, 86% and 82 % of the respondent's rain shortage and lack of credit facility respectively affect their production and marketing in the existing value chain. Different authors support the above finding, (Fikuru,2017) on his study emphasis that disease, transport shortage and post-harvest lost are the main factors affect sesame production and marketing. Similarly (Kindie,2007) on his study support the above finding stating lack of transport, shortage of agricultural inputs are affected sesame production and marketing.

4.3.2 The Role of Sesame Aggregators /Collectors

4.3.2.1 Aggregators/Collectors activity/ies Calendar

The study has made investigation regarding aggregators activities along with season: Market period, surplus of product in the market, shortage of transport season, shortage of the availability of a product, low, medium & high price season, finance arrangement period and finally identify storing period of a product.

Table: 4.12 percentage of respondent's activities period/s

Aggegators Activites	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Market Period	7%	11%	11%	10%	8%	8%	8%	7%	8%	7%	7%	7%
Surplus of Sesame Seed	0%	22%	29%	31%	10%	3%	2%	1%	1%	0%	0%	0%
Transport Shortage Period	0%	15%	25%	38%	15%	2%	1%	1%	1%	0%	0%	0%
Shortage of sesame Period	4%	14%	20%	20%	12%	6%	4%	5%	8%	5%	1%	1%
Low Price Season	5%	18%	27%	24%	15%	4%	3%	1%	1%	0%	1%	1%
Medium Price Season	3%	1%	3%	8%	30%	38%	14%	3%	1%	0%	0%	0%
High Price Season	3%	0%	0%	2%	2%	5%	10%	27%	28%	18%	3%	2%
Finance Arrangement Period	43%	31%	5%	1%	0%	0%	0%	4%	5%	5%	0%	4%
Storing Period	10%	23%	32%	24%	10%	0%	0%	1%	1%	0%	0%	0%

Source: Survey report from producers

The data in the table 4.12 indicates that market period is happened throughout the year and the level little bit increase during October is followed till December because of the availability of crop increase for stated period. Similarly, the above table indicate starting from October till December storage level show increment and a price reach at lower level compare with the rest period. 38% of respondent face transport shortage during December, while 25% in November and 15% of the respondent face the shortage of transport in Oct and January. On the bases of the finding the surplus of a product reach 22% in October ,29% in November and 31 % in December, respectively. During this period, many farmers are obligated to sell their crop to settle their debt for agricultural practice. The study indicates that 28 % of aggregates are said a price increase in May and 27% of the respondents in April and only 18% of the respondent said a price is high in June. A price increases due to the availability of a crop sharply decline during the sated period.

4.3.2.2 Suppliers of sesame to Aggregators and who decides the market price

Respondent were asked to provide information regarding who decide the market price and who is the suppliers of sesame at primary market and their attitude towards their price offer for premium quality.

Table 4.13 Suppliers of sesame to aggregators and who decide market Price, Aggregators offer attractive price for premium quality

Suppliers of your Products	Frequency	Percent
Small size farmers	35	89.7
Cooperatives	1	2.6
Commercial Producers	3	7.7
Total	39	100.0
Who Decides the Market Price		
Suppliers themselves	1	2.6
Yourself	7	17.9
Daily ECX market	28	71.8
Demand and supply at Primary trading center	3	7.7
Total	39	100.0
Incentive price for producers to Encourage the production of premium Quality		
Yes	10	26
No	8	21
Sometimes	21	53
Total	39	100

Source: Survey report from aggregators

As presented in table 4.13 majority of respondents buy sesame from Small size farmers (90%) and only 8% of aggregators fulfil their demand buying from commercial farmers and while 2% of the respondent's supplier of sesame is cooperative union. The result is shown that commercial farmers and cooperative prefers to sell either directly to International market or through Ecx. However, due to limited volume produce by small size farmers, they are obligated to sell to aggregators. Meanwhile the above table 4.12 indicate that 21(54 %) of the respondents offer attractive price some time when a producer offers premium product and 8 (21%) of the respondents show lack of interest to offer incentive price. whereas only 10(26%) of aggregators offer attractive price to premium quality. The finding implies that the existing value chain does not encourage farmers to get better price for better quality.

4.3.2.3 The Performance of Service Providers in the case of Aggregators

4.3.2.3.1 Grading and the Evaluation the performance of service providers

The respondents were asked before they sell their product whether they conduct examine the quality of their seed and how they evaluate the performance of service providers.

Table 4.14 The performance of service providers in the case of Aggregators

Third party grading before selling your sesame * The Performance of Service Providers Crosstabulation									
		The Performance of Service Providers							Total
		Excellent	V.Good	Good	Moderate	Bad	V.Bad	Worse	
Third party grading before selling your sesame	Yes	3 7.7%	3 7.7%	6 15.4%	21 53.8%	1 2.6%	2 5.1%	0 0.0%	36 92.3%
	No	0 0.0%	0 0.0%	1 2.6%	1 2.6%	0 0.0%	0 0.0%	1 2.6%	3 7.7%
Total		3 7.7%	3 7.7%	7 17.9%	22 56.4%	1 2.6%	2 5.1%	1 2.6%	39 100.0%

Source: Survey report from aggregators

The finding in the above table 4.14 indicate that, the respondents 36(92%) third party grading their product before it reaches to exporters, whereas remaining 3(8%) of the respondent's product does not grading by third party before they sell their product. According to the interview discuss with Ecx communication director, he emphasis that any supplier/s to trade through Ecx, initially they must bring a product to Ecx premises and the institute representative take a sample of product and examine a product, finally on the bases of finding, quality inspection department give a grade for product. But on the contrary the above finding implies around 8% of the respondent are dealing a business beyond formal structure of a market. Meanwhile the respondents were asked to evaluate the performance of service providers and 57% of respondents their level of satisfaction are moderate, and 20% of respondent they get better service

4.3.2.3.1 Bases for grading at primary Market and who conduct Grading for Aggregators

The response of the respondents for the questions related to who conduct grading when aggregators arrange to sell through Ethiopian commodity exchange and what are aggregators criteria to measure the quality of sesame seed at the stage of buying from producers are presented below.

Table 4.15: Who conduct grading and bases for Grading

Who conduct Grading *Bases for Sesame Grading					
Who conduct Grading	Bases for Sesame Grading. a				Total
	color of sesame	Size of the seed	Variety of seed	Purity of the seed	
Ministry of Trade & Industry	1	0	0	0	1
	2.8%	0.0%	0.0%	0.0%	2.6%
Ethiopian commodity Exchange	24	12	13	24	38
	66.7%	33.3%	36.1%	66.7%	97.2%
Total	25	12	13	24	39
	69.4%	33.3%	36.1%	66.7%	100.0%

Percentage and totals as based on respondents. Dichotomy group tabulated at Value 1.

Source: Survey report from aggregators

As we look in the above table 4.15 aggregators using different grading criteria at the stage of buying sesame from producers. 25 (70%) of the respondent color is the main criteria to buy sesame, while 24 (68%) of the respondents used purity is main criterion to determine a quality of sesame. 12(33%) and 13(36%) of the respondent size of the seed and variety of a seed other determinant criteria to make buying decisions.

4.3.2.4 Factors affect the quality of sesame in the case of Aggregators

Aggregators were enquired which were the main factors affects the quality of sesame and their responses outlined in table 4.16.

Table 4.16: major factors affect the quality of sesame

The list of Major factors affects the Quality of Sesame		
Factors affect the quality of Sesame a	Responses	Percent of Cases
	Percent	
Weather Conditions	36%	69%
Weak Agricultural Practice	23%	44%
Sesame Blending	31%	59%
Labor shortage	9%	18%
Total	100%	190%

a. Dichotomy group tabulated at value 1.

Source: Survey report from aggregators

According to aggregators sesame seed quality are affected by different factors, among this 36% of aggregators believed sesame quality affected by weather conditions, 31% believed that weak agricultural practice and 44 % of respondent's blending affect the quality of sesame. Similarly, different studies conducted evidence the above finding. Genet (2017) and different scholars

supports the above finding by stating shortage of daily laborer, unexpected rain during harvest, weak agricultural practice affects the quality of sesame.

4.3.3 The Role of Exporters

4.3.3.1 Exporter Business activities

The study has made enquiry regarding exporters business activities which role/s represent their organization. The respondents were asked to provide information and their response outlined on table 4.17

Table 4.17 Type of business it runs by exporters

Type of Business it runs by exporters a	Responses		Percent of Cases
	N	Percent	
Only Export Business	52	44.1%	100.0%
Export + Import Business	43	36.4%	82.7%
Export + Producer	10	8.5%	19.2%
Export + Agency	4	3.4%	7.7%
Export + Freight Forwarder	9	7.6%	17.3%
Total	118	100.0%	226.9%

a. Dichotomy group tabulated at value 1.

Source: Survey report from exporters

As presented in the above table 4.17 all respondents run export business and 82.7% of the respondents run export business along with import business considering getting hard currency for their import demand and 20% of respondents they produce sesame beside of their export business and only 17.3 % exporters have their own forwarding companies to manage their export business. According to the interview engaged with Ministry of trade, NBE and different commercial banks support the above finding considerable number of importers participate in export market and affect the performance of export business by conducted unethical and unfair competition in the market.

4.3.3.2 Who decide selling price, required time to deliver a shipment up to submit Documents to bank and Warehouse Status

Table: 4.18: Required time for shipment period, document submission to bank, who is price make and warehouse Status

Warehouse			How long it takes for Shipment till submit documents to banks				Total	Fre- quency
			20 Days	30 Days	45 days	60 and Above		
No	Who de- cide the Export selling price	G. Manager	2	2	2	0	6	
		Export Manager	0	3	2	0	5	
		Board of Man- agement	0	0	1	0	1	
		Owner	2	2	2	1	7	
	Total		4	7	7	1	19	37%
Yes	Who de- cide the Export selling price	G. Manager	3	9	7		19	
		Export Manager	1	1	0		2	
		Board of Man- agement	0	0	1		1	
		Owner	6	2	3		11	
	Total		10	12	11		33	63%
Warehouse Total							52	100%
Total	Who de- cide the Export selling price	G. Manager	5	11	9	0	25	48%
		Export Manager	1	4	2	0	7	13%
		Board of Man- agement	0	0	2	0	2	4%
		Owner	8	4	5	1	18	35%
	Total		14	19	18	1	52	100%
Frequency			27%	37%	35%	2%	100%	

Source: Survey report from exporters

Table 4.18 show that 63 % the respondents have their own warehouse to store sesame, in contrast 37% of exporters they don't have warehouse and compelled to use either rented and lease warehouse to make a cleaning and keep a stock. The above table indicate that 48 % of exporters agreed a price are decided by general manager of the organization, like 35% of the respondents said the price decide by the owner of the organization, it implies that the owner does not give a full mandate to management. If the organization run by state or party affiliate a price are decided by board of management and the above table indicate 4 % of the respondent agreed a price are decided by board of management. Only 13% of the respondent agreed a price decide by export manager. The researcher understood export manager has limited mandate to decide selling price even they have a right position to understand a market.

4.3.3.3 Analysis of Data related with Exporter Role and Service providers Activities

4.3.3.3.1 The role of exporters and their activities

This study seeks to deeply understand the assessment of value chain practice of sesame export market in the case of exporters and their level of judgments for service provider performance. Respondents were asked to rate their actual perception of the role of them/their competitors and evaluate the performance of service providers on a five-point Likert type scale ranging from 1 being strongly disagree to 5 strongly agree. Table 4.19 and 4.21 shows the results of each dimension for the role of exporters and the performance of service providers variables was separately presented, analyzed, and interpreted as follows.

Table 4.19 The role of exporter/s in sesame value chain

<i>1.Our company offer competitive prices</i>	Frequency	Percent	Valid Per- cent	Cumulative Percent
Strongly Disagree	2	3.8	3.8	3.8
Disagree	4	7.7	7.7	11.5
Neutral	11	21.2	21.2	32.7
Agree	24	46.2	46.2	78.8
Strongly Agree	11	21.2	21.2	100.0
Total	52	100.0	100.0	
<i>2. Material cost of sesame is competitive price at local market</i>				
Strongly Disagree	28	53.8	53.8	53.8
Disagree	14	26.9	26.9	80.8
Neutral	6	11.5	11.5	92.3
Agree	3	5.8	5.8	98.1
Strongly Agree	1	1.9	1.9	100.0
Total	52	100.0	100.0	
<i>3.Ethiopian origin sesame can compete based on quality</i>				
Strongly Disagree	2	3.8	3.8	3.8
Neutral	5	9.6	9.6	13.5
Agree	34	65.4	65.4	78.8
Strongly Agree	11	21.2	21.2	100.0
Total	52	100.0	100.0	
<i>4.The local market price affects the quality of Sesame at International market</i>				
Strongly Disagree	1	1.9	1.9	1.9
Disagree	2	3.8	3.8	5.8
Neutral	8	15.4	15.4	21.2
Agree	29	55.8	55.8	76.9
Strongly Agree	12	23.1	23.1	100.0
Total	52	100.0	100.0	

5. Respect for the contract signed and L/C				
Strongly Disagree	1	1.9	1.9	1.9
Disagree	2	3.8	3.8	5.8
Neutral	5	9.6	9.6	15.4
Agree	23	44.2	44.2	59.6
Strongly Agree	21	40.4	40.4	100.0
Total	52	100.0	100.0	
6. International buyers rely on our company commitment				
Strongly Disagree	1	1.9	1.9	1.9
Disagree	2	3.8	3.8	5.8
Neutral	4	7.7	7.7	13.5
Agree	23	44.2	44.2	57.7
Strongly Agree	22	42.3	42.3	100.0
Total	52	100.0	100.0	
8. Other exporters respect contractual agreement				
Strongly Disagree	13	25.0	25.0	25.0
Disagree	11	21.2	21.2	46.2
Neutral	19	36.5	36.5	82.7
Agree	7	13.5	13.5	96.2
Strongly Agree	2	3.8	3.8	100.0
Total	52	100.0	100.0	
9. Presence of sufficient resources, in terms of skilled and capable employees in your Organization				
Strongly Disagree	4	7.7	7.7	7.7
Disagree	3	5.8	5.8	13.5
Neutral	10	19.2	19.2	32.7
Agree	26	50.0	50.0	82.7
Strongly Agree	9	17.3	17.3	100.0
Total	52	100.0	100.0	
10. Availability of market information to make sales decision				
Strongly Disagree	1	1.9	1.9	1.9
Disagree	5	9.6	9.6	11.5
Neutral	8	15.4	15.4	26.9
Agree	31	59.6	59.6	86.5
Strongly Agree	7	13.5	13.5	100.0
Total	52	100.0	100.0	
11. Presence of sufficient financial resources to run a business				
Strongly Disagree	1	1.9	1.9	1.9
Disagree	1	1.9	1.9	3.8
Neutral	8	15.4	15.4	19.2
Agree	34	65.4	65.4	84.6
Strongly Agree	8	15.4	15.4	100.0
Total	52	100.0	100.0	

Source: Survey report from exporters

On the above table respondent were asked their level of agreement on the role of exporter/s and their operational activities. On Item 1, respondents were asked their level of agreement whether their company offer competitive prices for international market or not. According to the above Table 14.19 24(46%) of the respondents claimed that their offer is competitive price and 11(21%) strongly agree their offer is competitive, while. 11 (21%) of the respondents neither agree nor disagree and 4(8%) of the respondents agree and the remaining 2(3.8%) strongly disagree on the item, respectively. In this analysis more than 67% of the respondents show agreement their offer is competitive even a local market extremely higher than international market. On contrary a study made by Soresa (2009) emphasized that Ethiopian exporters offer higher price due to different reason.

Table 14.19 shows that 28(54%) of exporters strongly disagree with material cost of sesame at Ethiopian commodity exchange is not competitive and acting totally beyond the reflection of international sesame market. 14(27%) of the respondent disagree with by reflecting local sesame market at Ecx is not offer competitive price. 6 (11%) of the respondent neutral to share their attitude and 3(5.8%) of the respondent agree the local market offer competitive price. Finally, only 1(2%) of exporters strongly agree a price offer at Ecx is competitive price. More than 81% of the respondent agree the local market at Ecx does not offer competitive price and at the same time all interviewing individuals at ECX, Ministry of Trade, National bank of Ethiopia ,different commercial banks , EPOSPEA, Quality inspection companies and shipping & forwarding companies strongly believe the local market is not offer competitive price and it sharply reduce the profitability, the competitiveness of sesame export market.

In the above table respondents were asked about whether Ethiopian origin sesame can compete based on quality. Most of the respondents agree with Ethiopian sesame compete on the bases of quality and their level of agreement of (66%) and followed with 11(21%) strongly agree. Only 2(4%) of the respondents strongly disagree on the Likert item, 5(9.6%) of the respondents neither agree nor disagree with the item. In this analysis most of the respondents show their agreement Ethiopian origin sesame seed competitive on the bases of quality. The conducted interview also ratifies all service providers fully agree Ethiopian sesame best quality at the world market and more competitive relative with other origin. Different scholars strongly support the above finding by stating Ethiopian origin sesame seed can compete based on quality (Genet, misgnaw,2015; et al).

Respondent were asked to rate local market price affect the quality of sesame at International market. The result shown in the above table 29 (56%) of exporters agree buying price at Ecx affect the export quality sesame and (23%) of them strongly agree local market affect the quality of sesame. Whereas 2 (4%) and 1(2%) of the respondent disagree and strongly disagree, respectively. For the rest 8(15%) of the respondent neither agree nor disagree. As per interview discussion with Mr. Markos (Afro star Quality inspection companies) said that due to high price at Ecx exporters are obligated to blend different origin sesame seed under the name of “humera” and it create a big challenges to trace uniqueness of humera type of sesame seed and raise different compliant from international buyers.EPOSEPA mangers’ shared quality inspection companies’ views, high price at Ecx pushing an exporters to blend lower grade quality of sesame and selling under premium quality. The respondents were asked about their level of commitment for signed contract and Letter of credit. Out of the total respondent 23(44%) and 21 (41%) of the respondent agree and strongly agree respectively they respect a contract and Letter of credit and 5 (10%) of neither agree nor disagree. Only 3(6%) of the respondent disagree they couldn’t fulfill their contractual obligation due to several factors. On contrary the respondents were asked the level of other exporters commitment for signed contract and letter of credit. The study shows different outcome. 13(25%) of the respondent strongly disagree for the level of commitment for other exporters for signed contract and letter of credit, while 11 (21%) of exporters disagree for another exporter’s commitment for contract and LC. Majority of the respondent want to be neutral to share their point of view for their competitor’s in the market. As per interview discussion with IBD Mangers at different commercial banks said one of the main constraints for export market lack of commitment from exporters for signed contract and LC. As can be seen from Table 4.19 the respondents were asked the presence of enough financial resource to run a business. Majority of the respondents have enough financial resources 34 (66%) agree and 8 (16%) strongly agree they have enough financial resource to run a business, respectively. Insignificant level of respondents hadn’t had enough resource to run the business 1(2%) and 1(2%) disagree and strongly disagree, respectively. According to interview conducted with National bank of Ethiopia and different commercial bank, they strongly believe the government and their respective organizations potentially support exporters by arranging Pre-shipment finance and different incentive to encourage the industry and strengthen the competitiveness of Ethiopian origin sesame seed at international market. Whereas the researcher understood from the above mention companies some unethical exporters abuse the pre-shipment privilege by reallocate a finance to other unrelated sectors.

4.3.3.3.2 The performance of service providers in the case of exporters

Exporters were asked to evaluate the performance of service providers in the existing value chain practice of sesame export market in northern part of Ethiopia and their response outlined on cross tabulation and Likert item table on table 4.20 and 4.21, respectively.

Table 4.20 The availability of truck and service charges for forwarding and logistics

The availability of Truck * Service charges for Forwarding and logistics						
		Service charges for Forwarding and logistics				Total
		V.Expensive	Expensive	Moderate	Cheap	
The availability of Truck	Very Good	1	1	1	0	3
		1.9%	1.9%	1.9%	0.0%	5.8%
	Good	2	8	9	2	21
		3.8%	15.4%	17.3%	3.8%	40.4%
	No Idea	0	0	4	0	4
		0.0%	0.0%	7.7%	0.0%	7.7%
	Worse	3	13	1	0	17
	5.8%	25.0%	1.9%	0.0%	32.7%	
Very worse	0	7	0	0	7	
	0.0%	13.5%	0.0%	0.0%	13.5%	
Total		6	29	15	2	52
		11.5%	55.8%	28.8%	3.8%	100.0%

Source: Survey report from exporters

Table 4.20 shows that 17 (33%) of the respondents are expressed the availability of truck is worse and while 14% of the respondents the availability of transport very worse. However ,on the contrary 21(40%) of the respondent satisfied for the availability of truck, while the respondent asked whether the logistics and forwarding cost is reasonable or not, 29(56%) of the respondents are expressed logistics and forwarding cost is expensive, 6(12%) of the respondents the cost is very expensive and 29% of the respondents the logistics and forwarding cost is moderate and only 2(4%) of the respondents the cost is very cheap.

The above finding illustrates that the logistics and forwarding cost is expensive and it require the respected desk must make corrective action to reduce operational cost. When interviews are engaged with forwarding and shipping line, they strongly emphasized that a shipping cost is reasonable. However, the forwarding and transport cost is expensive because of poor logistic facility and a shortage of skill human power in the sector. Similarly, they highlighted that a truck cost increase from time to time, especially it is extremely critical during there are aid cargo, government shipment like fertilizer, wheat, and sugar.

The government are made a pressure on truck owners to load priority the import shipment, which create a shortage of truck and enforce the truck owner to increase a price. Accordingly, to (Kinde,2007) on his study support the above finding by stating the transport cost is expensive.

Similarly, Girar Consulting development study reveals that transport and forwarding cost is expensive and reduce the bargain power of exporters.

Table 4.21 Exporters evaluation the performance of service providers for sesame value chain practice

<i>1. The ECX minimum bidder Volume for sesame supplier is create a problem for your Business</i>	Fre- quency	Percent	Valid Percent	Cumulative Percent
Disagree	7	13.5	13.5	13.5
Neutral	11	21.2	21.2	34.6
Agree	26	50.0	50.0	84.6
Strongly Agree	8	15.4	15.4	100.0
Total	52	100.0	100.0	
<i>2. Ecx platform help a farmers/producer to generate better income</i>				
Strongly Disagree	6	11.5	11.5	11.5
Disagree	2	3.8	3.8	15.4
Neutral	13	25.0	25.0	40.4
Agree	24	46.2	46.2	86.5
Strongly Agree	7	13.5	13.5	100.0
Total	52	100.0	100.0	
<i>3. It is better to transact sesame through ECX than the former traditional market structure</i>				
Strongly Disagree	8	15.4	15.4	15.4
Disagree	19	36.5	36.5	51.9
Neutral	7	13.5	13.5	65.4
Agree	14	26.9	26.9	92.3
Strongly Agree	4	7.7	7.7	100.0
Total	52	100.0	100.0	
<i>4.Banks arrange Pre-shipment finance to fulfils exporter financial requirement</i>				
Disagree	1	1.9	1.9	1.9
Neutral	3	5.8	5.8	7.7
Agree	32	61.5	61.5	69.2
Strongly Agree	16	30.8	30.8	100.0
Total	52	100.0	100.0	
<i>5.The role of banks extremely important for sesame production and marketing</i>				
Disagree	1	1.9	1.9	1.9
Neutral	3	5.8	5.8	7.7
Agree	27	51.9	51.9	59.6
Strongly Agree	21	40.4	40.4	100.0
Total	52	100.0	100.0	
<i>6. Inspection company has any controlling mechanism to protect supply of blended type of sesame seed</i>				

Strongly Disagree	2	3.8	3.8	3.8
Disagree	12	23.1	23.1	26.9
Neutral	19	36.5	36.5	63.5
Agree	16	30.8	30.8	94.2
Strongly Agree	3	5.8	5.8	100.0
Total	52	100.0	100.0	
7. Information provided by the EPOSEPA is relevant input for Business related decision				
Strongly Disagree	2	3.8	3.8	3.8
Disagree	9	17.3	17.3	21.2
Neutral	3	5.8	5.8	26.9
Agree	31	59.6	59.6	86.5
Strongly Agree	7	13.5	13.5	100.0
Total	52	100.0	100.0	
10. The Ministry of trade creates smooth and attractive working environment				
Strongly Disagree	10	19.2	19.2	19.2
Disagree	24	46.2	46.2	65.4
Neutral	10	19.2	19.2	84.6
Agree	8	15.4	15.4	100.0
Total	52	100.0	100.0	
11. The rules and procedures currently implemented protected the export market from local and International defaulters				
Strongly Disagree	14	26.9	26.9	26.9
Disagree	24	46.2	46.2	73.1
Neutral	9	17.3	17.3	90.4
Agree	5	9.6	9.6	100.0
Total	52	100.0	100.0	

The value in the section 1 of table 14.21 explains whether the Ecx minimum bidder volume for sesame supplier is it create a problem for your business or not. 26 (50%) of the respondent agree, while 8(16%) strongly agree Ecx minimum bidder volume create a problem to exporters because of sesame supplier intentionally increase price by reducing their selling quantity. Whereas 7 (14%) of exporters strongly believe Ecx minimum bidder volume does not create significant problem for their business.11(21%) of the respondent neither disagree nor agree the impact of Ecx minimum bidder volume for their business. According to interview engaged with EPOSEPA mangers, he highlighted that Ecx minimum bidder volume create a big challenge for export market. This system is arranged a room for supplier to set max price by limit their selling volume at Ecx trading floor when there is a demand. Then exporters are enforced either to make a default for export market (face lack of commitment) due to high price or obligated to wait until a price stable. Researcher forward a question that Ecx platform assist a producer to generate better income, from the above table 24(46%) of the respondents believe Ecx platform assist framers get better income from sesame and 7(16%) of the respondents strongly agree farmers benefited from

the existing Ecx platform. While 13(25%) of the respondent they are not sure neither a farmer gets better income nor selling below their production cost. Whereas small number of respondents disagree 2(4%) Ecx platform does not support a farmer to generate better income. To assure the sustainability of sesame value chain all actors must be benefit from the sectors, especially when a farmer does not generate better income/profit from a sector obligated to divert to other substitute crop. On the contrary producers' responses for open ended question emphasized that Ecx platform does not support to generate better income and prefer to deal directly with exporters. The survey also explored that the respondents were asked whether the overall attitude towards the role of banks extremely important for sesame production and marketing. The majority 27(52%) of the respondents indicated that the role of banks extremely important to maintain a production on sustainable ways and engage sesame export market. 21(41%) of the respondent strongly agree the important of bank in sesame production and market. More than 92% of the respondents agrees different commercial banks have significant role in sesame production and export marketing by providing a loan for production and pre-shipment finance to support export market. Meanwhile respondents were asked banks arrangement for pre-shipment finance to fulfils their financial requirement and the researcher understood from the study different commercial banks arrange pre-shipment finance, it evidence by the respondents 32 (62%) agree different commercial banks arrange pre-shipment finance, while 16(32%) of the respondent strongly agree banks arrange pre-shipment finance to fulfils export financial requirement. Only 1(2%) of the respondents disagree and believe lack of support from different commercial banks. When a researcher conducts an interview with NBE, Different commercial bank IBD managers, they emphasized that their institutions encourage the sector since sesame is one of the main exports item earning and generate significant amount of hard currency. However, some IBD managers reflect certain exporters abuse pre shipment finance and allocate pre-shipment finance to other unrelated sectors. When an exporter allocates pre-shipment finance for other non-export business it affects competitors who engage in the same industry because of, they sell at lower price & doing their unrelated business without conducting proper study, market information and it exposed a bank to face default. So, the governing body must regulate the utilization of pre-shipment finance to support proper and genuine exporters and at the sometime a bank able to manage properly public money and regulate non-performing loan arise from pre-shipment loan.

The respondents were asked whether inspection companies have any control mechanism to protect supply of blended type of sesame seed or not. 19 (37%) of the respondent neither agree nor

disagree for the request. 16(31%) of the respondent quality inspection companies has able to control the supply of blend type of sesame. In addition, 3(6%) of the respondent strongly believe inspection companies has control mechanism the blend type of sesame in the market. On the other side 12(23%) of the respondent indicate that it is difficult for quality inspection companies to identify the supply of blend type of sesame for export market. The above finding implies that an exporter are not sure quality inspection companies neither trace blend sesame nor not. When interview was conduct with Afro star (quality inspection company),he said that one of the main difficulty things in sesame ,Ethiopia does not have specific standard for humera, Wollega sesame seed, it creates a room for exporters to blend different origin sesame seed and selling under the name of “Humera” type of sesame seed.

According to table 4.21 respondents were asked their level of agreement about information provided by the EPOSEPA is relevant for their business decision or not.31 (60%) of the respondent agree their association support by provide all the needful information regarding marketing and production for local and international market, and then 7(14%) of the respondents strongly agree EPOSPEA information relevant for their day to day business decision. Whereas 9(17%) of the respondents disagree and express their feeling the association feed irrelevant information input for their business decision. Similarly, only 2(4%) of the respondents strongly disagree EPOSPEA information irrelevant input for their business decision, meanwhile 3 (6%) of the respondent neither agree nor disagree. Generally, the above finding implies that EPOSEPA feed relevant information for exporters regarding market, and production information. It is one of a backbone of market decision to offer and participate in export market. According to interview are engaged with EPOSEPA manager, he emphasized that their office provides all relevant information for their members on daily bases for local and international market in terms of buying and selling price, sharing crop balance information on yearly bases and in addition provide export data & value and Ecx traded volume at the time of needed.

Finally, the respondents were asked how they evaluate the performance of Ministry of Trade and Industry. While respondents were asked Ministry of Trade & Industry whether their office create smooth and attractive working environment for export market or not. Majority of the respondent 24(46%) disagree, the Ministry working environment does not encourage the export sector and a sector are manipulated by different actors in the market. While 10(19%) of the respondents strongly disagree and only 8 (16%) of the respondent agree Ministry of Trade and Industry

arrange smooth market structure and attractive working environment for export market. 10 (19%) the respondent neither agree nor disagree the statement. Meanwhile the respondents were asked about their level of agreement how they evaluate Ministry of Trade & Industry rule, procedures and control/protect local and international buyers from defaulters in export market. 24(46%) respondents disagree the system implement by the Ministry is not protective the export market from defaulters. Similarly, 14(27%) of the respondents strongly disagree the system implement by the Ministry is lacked to protect the export market. Only 5 (10%) of the respondent agree the Ministry implement protective rule and procedure to control Local and International defaulters. 9(17%) of the respondent neither agree nor disagree. The above finding strongly implies the export sector lack of support from respected regulative body. Further due to limited action taken by governing body Ethiopian export market known as unreliable market at Global market. When a researcher was conducted an interview with different service providers at Ecx, EPOSEPA, Quality inspection companies and forwarding companies, they emphasized that Ministry of Trade & Industry the main governing body to monitor sesame export market, price and market structure, but due to lack of attention from the Ministry of Trade & Industry the sector face different challenges.

4.4 Sesame Value chain actors Costs, Revenues and Margins

After the value chain has been mapped the next step to find out what the financial trends have been in sesame value chain practice for Channel 3. The knowledge of costs and margins of actors in the existing value chain enables value chain actors, different stakeholders, policy makers to understand the competitiveness of the sector, cost of entry, distribution of costs and margins, value chain comparison, change in costs and margins and assist to setup industry standard and indicate what needs to be adopted in order to overcome the bottlenecks.

Table 4.22: Value chain actors Costs, Revenue, Margin

Items	Average Cost for the production of sesame seed/Ha	Average Cost for the production of sesame seed/Qunital	Cost Proportion/Qt
Weeding cost	1915.1	Etb 388.0	15.8%
Land Rent cost	1696.4	Etb 343.7	14.0%
Fertilzers cost	1626.5	Etb 329.5	13.4%
Harvesting Cost	1402.0	Etb 284.0	11.6%

Cost of Accommodation	878.2	Etb 177.9	7.2%
Clearing Land cost	773.2	Etb 156.6	6.4%
Threshing cost	440.2	Etb 89.2	3.6%
Sowing cost	428.7	Etb 86.9	3.5%
Ploughing cost	386.5	Etb 78.3	3.2%
Others Cost	293.9	Etb 59.5	2.4%
Seed Cost	270.4	Etb 54.8	2.2%
Transport Cost to the market	29.2	Etb 5.9	0.2%
Loading/Unloading cost	13.5	Etb 2.7	0.1%
Bags cost	13.0	Etb 2.6	0.1%
Sesame Selling price/Ha	23062.6		
Selling Price/Quintal	4672.6	Etb 4672.0	Etb 4275 ¹⁰
Total Cost /Ha	10166.8		
Total Cost/Quintal		Etb 2060.0	Etb 2457 ¹¹
Profit/Loss for Farmers/Ha	12895.8	0.0	
Profit/Loss for Farmers/Quintal	2612.8	Etb 2612.0	Etb 1818
Yield	4.9 Quintal		
Post-Harvest Lost	8.5 Kg/Qt	Etb 397.205	16.2%
Collectors TCB		Average Weighted Cost of Collectors/Qt	Cost proportion /Qt
Storage Cost birr /Quintal		Etb 16	0.3%
Purchase price (Birr/Qt)		Etb 4398	94.3%
Transport Cost (Birr/Qt)		Etb 20	0.4%
Exc Costs (Birr/Qt)		Etb 147	3.2%
Loading/Unloading(Birr/Qt)		Etb 14	0.3%
Price of bags/Pcs		Etb 13	0.3%
Cleaning Cost/Qt		Etb 52	1.1%
Other Costs		Etb 5	0.1%
Total Cost		Etb 4666	
Selling Price (Birr/Qt)		Etb 5092	
Market profit for Collectors		Etb 426	
Exporter TCB		Average weighted cost of Exporters/Qt	Cost proportion /Qt
Purchasing price		Etb 5092	89.9%
Impurity/ Reject cost for 3 %		Etb 147	2.6%
Ware house cost		Etb 31	0.5%
Loading / unloading cost		Etb 14	0.2%

¹⁰ Total selling price after making a consideration of 8.5% Post-harvest Lost

¹¹ Total Cost after making a consideration of post-harvest lose

Cleaning cost /Machine Cleaning	Etb 27	0.5%
Cost of bag	Etb 18	0.3%
Transportation cost (From Ecx Warehouse to your cleaning Facility)	Etb 85	1.5%
Transportation cost (From your cleaning Facility to loading port)	Etb 76	1.3%
Cost of transit and port handling Charges	Etb 59	1.0%
Over head cost	Etb 9	0.2%
ECX costs	Etb 26	0.5%
Inspection costs	Etb 6	0.1%
Total cost before interest	Etb 5590	
Interest 8 % of total cost for 60 Days	Etb 73	1.3%
Total cost after interest	Etb 5663	Etb 5516 ¹²
Fob Selling price of 1quintal/ Birr	Etb 4433	Etb 4318 ¹³
Market profit for Collectors	Etb -1230	Etb -1198

Respondents were asked to provide information regarding their three years (2009-2011) weighted average costs, revenue, yields/ha for the production and marketing of sesame seed according to their specific tasks. Mostly producers in Khafta-Humera plowing is carried out with tractor and producers are conducted different task until a product reaches primary market. The profitability of Khafta-Humera Producers was calculated by taking three years weighted total revenue and costs sample producer's average total revenue and costs of all the sample producers' operation from (2009-2011). The study results revealed different costs to produce sesame. Post-harvest losses (16.2%) and removal of weed (15.8) and land rent costs are taken the largest cost proportion incurred by producers, respectively. The study result depicted clearly that sesame production was profitable for producers for the specified period. Producers earned a net profit 8962.74 Etb/Ha (Birr 1818/Quintal). The average yields of producers for the above stated period (4.93Qt/Ha). The producers share from the export market (Margin) calculated as 99%, which is extremely high and generate at the expense of unethical exporters activities. The analysis clearly showed that aggregators major component cost is material cost. They spent birr 4398 Etb/Quintal (94%) and beside of material cost aggregators spent insignificant amount of costs for Ecx service charges 147 Etb/Quintal (3.2%) and 52 Etb/Quintal cleaning (1.1%). In average they incur 268 Etb/Quintal and make a profit 426 Etb/Quintal. The aggregators share from the export market (Margin) calculated as 19% (Table 4.24). Exporters are engaged to transform the raw sesame

¹² Total cost excludes 2.6% Reject cost (Impurity cost)

¹³ Fob Selling Price/Quintal after considering 2.6% Reject Cost

seed into export level standards as per contract with international buyers. On this process exporter spent different cost such as : material cost, transport cost to deliver a shipment from Ecx premises to up to it reach loading port, Impurity cost, bag/packing cost, Ecx cost, cleaning ,standard, loading/unloading, bank interest cost, forwarding& transit cost and warehouse cost along with different miscellaneous costs. According to table 4.23 exporters spent 5092Etb/Quintals for material cost (90%), transport cost 161 Etb/Quintal (2.8%), reject cost 147 Etb/Quintal (2.6%) interest cost 73 Etb (1.3%) respectively. The Study result revealed that sesame exporters run a business on loss proportion for the above stated period. Exporters spent 5516 Etb/Quintal and selling 4318 Etb/Quintal (\$ 1502/Mt Fob Djibouti¹⁴). The above finding implies an export sell humera type of sesame seed below their buying price and incur a loss (-1198). The exporters share from the export market calculated as -18%. The above finding highly support by different stakeholders. When interviews are conducted with Ministry of trade, NBE, EPOSEPA, Quality inspection companies strongly emphasized that an exporter sell their product below their buying price and exporters ‘only focus on to generate hard currency to fulfil their import demand. To have good understanding and further information please refer table 4.23 and 4.24 for cost, margin, and revenue for value chain actors.

Table: 4.23: Sesame Value chain costs, Revenue, Markup and Margins

Items	Part of Ethiopia /Ounital		
	Producers	Collectors	Exporters
Production Cost(Etb/Qt)	2,048	4398	5092
Marketing Cost (Etb/Qt)	408	268	424
Total Cost (Etb/Qt)	2,457	4666	5516
Selling Price (Etb/Qt)	4,275	5092	4318
Market Profit(Etb/Qt)	1,818	426	-1198
Markup per Actors	74%	9%	-22%
Share of Market Margin per Actors	99%	19%	-18%

The above finding implies that due to exporters unethical business conduct a farmer and aggregators had got very attractive margin and the above reflected unhealthily business activities finally affect the entire sector and it need policy makers and regulative body seriously examine and take correctives action to enable the sector more efficient (decrease cost) and effective (increase value of a product).

¹⁴ Exchange rate Date: May 29,2019 and CBE Daily rate is 1 usd~28.76 Etb

4.5 Challenges and Opportunities in the existing sesame Value chain

When a study conducts the researcher were able to identify the below listed challenges and opportunities are pointed out by different sesame value chain actors and service providers responses for open ended and interview questions.

- ✓ Lack of improved seed and agricultural input supply.
- ✓ High post-harvest losses and high production cost.
- ✓ The yield of sesame declines from year to year and sesame substitute crop had got attractive price.
- ✓ Shortage of transport and expensive transport (Truck)cost
- ✓ The local Ecx buying price extremely high compare with international sesame price
- ✓ Exporter working to get foreign currency and try to compensate on import shipment and contributed for inflation.
- ✓ Limited modern warehouse facility
- ✓ Low negotiation power of exporters due to unfair competition among exporters
- ✓ Lack of support, follow-up, and control from regulative body
- ✓ Increase default cases and weak commitment from contractual parties
- ✓ Exporter abuse pre-shipment financial package.
- ✓ Private banks believe National bank of ethiopia restrict private banks not to deal for Chinese shipment
- ✓ Lack of transparency for Ecx transaction especially for quality.
- ✓ Ethiopian sesame seed has good market acceptance at Global market

Opportunities in the existing sesame Value chain: -

- ✓ The country had got free tariff privilege for main sesame buyer destination.
- ✓ Ethiopian origin sesame has premium taste, aroma for edible and crushing purpose.
- ✓ A government arrange pre-shipment finance against sales/purchase contract and letter of credit.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of Major Finding

The following findings are derived from the analysis and interpretations made in the previous chapter.

- ❖ Evaluating the socio demographic characteristics of producers, aggregators, and exporters, respectively. Majority of producers (91.4%) are within the age group between 18 and 50 years. Having active labor force for producing and marketing sesame is one of the indicating factors. Different scholars indicate, in their studies, that sesame production is highly dependent on labor force activities such as: removing weed, harvesting, and threshing. This study revealed that 73% of producers are able to read and write, which are valuable contribution for training and development, which help to improve productivity. Similarly, majority of aggregators/Collectors are aged between 18 and 50 years of old. On the bases of the study finding, majority of aggregators are educated who are able to understand situation of market and production. Moreover, they are people who can make their own judgment by analyzing before they conduct transactions This study reveals that more than 84.6% exporters are also well educated. It means, with good understanding of the market itself, they assist the export market to expand.
- ❖ The study reveals that 50% of exporters have more than 30 employees in their organization, 38% of the exporters contribute exports of more than 5000 Mt of sesame to international markets. In addition, substantial number; 58%, of exporters have stayed in the market for less than five years and have lack of experience in export market. The data implied that the sector is easy to enter for it attracts new comers. Accordingly, it creates a declining pressure on the bargaining power of Ethiopian exporters and exposes them to incur a loss due to unethical competition while scrambling to gain hard currency.
- ❖ Almost all producers in the study area are plough their plots of land in the month of June (64%) and July (33%). Sesame highly depends on weather condition if a farmer misses the right plowing period, they will to shift to producing other crops. Once a plot of land is plowed, sowing must be conducted two or three week later. Weeding is one of the main

factors to determine the amount of yield. If a producer weeds properly, there is a better chance yielding better.

- ❖ In the study, the researcher has found out 82% of producers are small size farmers and while the rest;18%, of are commercial farmers. Similarly, 52% of producers have two-five Ha of lands likewise 29% of producers have above ten Ha of land. The study reveals that small size farmers get better yield comparing with commercial farmers. The finding implies 54% of small holders had got five and above five quintal of sesame per Ha. The study also shows that more than 76% of producers (small and commercial farmers) produce above 4 quintal of sesame per Ha.
- ❖ The study reveals that 70% of producers sell their product to aggregators, and 23% to cooperative unions, and only 3% and 5 % of producers sold through Ecx to exporter and international market, respectively. The finding implies that 59% of producers get supportive service to improve their production and market linkage. The researcher understands several factors affect sesame production and marketing. Among them, 94% of producers are said wind during threshing period affect the production, 88% of the respondent are said diseases and post-harvest lost affect the yield 86% and 82% of the producers respond rain shortage and lack of credit facility respectively affect production and marketing in the existing value chain.
- ❖ The study finding implies that 54% of aggregators offer attractive price some time when a producer offers premium quality and 21% of aggregators show lack of interest to offer incentive price and only 26% of aggregators offer attractive price to premium quality. The finding implies that the regulating body must install a system to encourage a farmer to get better price for better quality to encourage the competitiveness of Ethiopian origin sesame at international market.
- ❖ The study result depicts that 82.7% of exporters run their business along with import business considering getting hard currency for their import demand. Different actors in the existing value chain support the above finding. 37% of exporters agreed 30 days were needed to deliver a shipment and submit a document to bank, while 35% of the respondent said 45 days required to do so.

- ❖ The researcher had found that 67% of exporters are agreed their Fob offer price is competitive, even a local Ecx price is extremely higher than international market. More than 81 % of exporters agreed the local market at Ecx does not offer competitive price. Exporters were asked whether Ethiopian origin sesame can compete based on quality or not. 66% exporters agree with Ethiopian sesame compete on quality and followed with 21% of exporters strongly agree with the issue. Similarly, exporters are asked the presence of sufficient financial resource to run a business. Around 66% of exporters agree and 16% strongly agree they have enough financial resources to run export business.

- ❖ The study reveals that 56% of exporters said that logistics and forwarding cost is expensive, while 12% of exporters are said the logistics and forwarding cost is very expensive, whereas 29% of the respondents said that the forwarding and logistics cost is moderate. When interviews are engaged with forwarding and shipping line, they strongly emphasize that a shipping cost is reasonable however the forwarding and transport cost is expensive as a result of poor logistic facility and a shortage of skilled human power in the sector

- ❖ More than 92% of the exporters agrees different commercial banks have significant role in sesame production and export marketing by providing a loan for production and pre-shipment privilege to support export market. However, the study implies that certain exporter abuses a pre-shipment finance and allocate the privilege for non-export/ unrelated sector.

- ❖ The study finding implies that EPOSEPA play significant role in terms of providing feed relevant information for exporter regarding with market and production,60% agree EPOSEPA providing relevant information to make business decision, meanwhile 14% strongly agree EPOSEPA provide relevant information their day to day business decisions.

- ❖ Exporters have been asked how they evaluate the performance of ministry of trade and industry. 46% of exporters disagree on the working environment ministry of trade to encourage the export sector, while 19% of exporters strongly disagree saying the ministry does not have an environment to encourage the export sector. Meanwhile the respondents were asked about their level of agreement on how they evaluate ministry of trade's rules and procedures of control/protect local and international buyers from defaulters in export

market. Most of the respondent 24(46%) disagree that the existing rules and procedures, which are implemented by ministry of trade and industry does not protect export market from defaulters. Similarly, 14(27%) of the respondent strongly disagree confirming the system implement by ministry is not protective the export market.

5.1 Conclusions

Agriculture is the core component and driver for Ethiopian economy. The country generates more than 70% of export values from the agriculture sector. Ethiopian is one of major sesame producing country to supply to international market. Sesame is the second largest foreign earning crop next from coffee. Khafta-Humera, a place found in northern parts of Ethiopia, is one of the major sesames producing areas for “Humera” type of sesame seeds. Therefore, has been measured to have an assessment of value chain practice of sesame export market in northern parts of ethiopia. According to sesame value chain actors, sesame goes from producers to aggregators and it finally reaches to exporters through Ethiopian commodity exchange. Small size farmers earn five Quintal/Ha, while weighted average yield of a plot of land in Khafta Humera produces four quintal/Ha for small and commercial farmers. Many producers are obligated to sell their crop at early periods of a season at lower price in order to get free from burdens of debt. In relation to the production of sesame, producers identify several problems such as: wind during thresh period, diseases, post-harvest losses, shortage/surpluses of rainfall and limited credit access. The study reveals that the existing market structure discourage the farmers not to produce superior quality of sesame seed due to lack of offering better price for better quality. Meanwhile majority of aggregators are not interested to offer attractive price for premium type of sesame, which is one factor of producing low quality. This, of course, has negative impact for export market. ECX has structured modern trade platforms to encourage the formal transaction up to exporter hand, nevertheless, the study finding implies that serious unethical behavior of Ecx employees affect the grading system. There is lack of transparency for a claim handling. Through the bribe Ecx employees change lower grade product by higher grade product ones against agreed contract. Moreover, it is found that they are exposing confidential information to competitors and market participant. Majority of producers sell their sesame to aggregators through primary market. The study shows that insignificant number of producers either directly trade through Ecx and foreign market. Despite, the fact that exporters offer competitive prices for international market, they buy with extremely high price from local market. Different stakeholders in the existing value chain condemn the local price at Ecx reflecting that the price is extremely

high, and this create different challenges that enforce exporter to blend good quality seed with lower grade ones. This, hence, affects the export market and the country. In the actual terms; many players in the sector believe that Ethiopian origin sesame can compete on quality, aroma, and Taste. National bank of ethiopia has setup a system to encourage different commercial banks to follow the example. It includes the activity of providing pre-shipment finance to ease sesame export market. However, the research finding depict that some unethical exporters abuse the pre-shipment privilege and reallocate the finance to unrelated sectors. Logistics and forwarding cost are so expensive that they highly affect the export sector. The cost of transport also increases from time to time. In addition, the minimum bidder volume of the Ethiopian commodity exchange creates a big challenge for export market. A system organizes a room for supplier to set maximum price by limiting their selling volume at Ecx trading floor when there is demand. This enforces the exporters either to make a default or delay a shipment beyond agreed delivery period. The lack of specific standard for Humera, Wollega type of sesame, that the country should have set, creates a loophole for exporters to blend different origins of sesame seeds and sell under the name of “Humera” type of sesame seed.

The study digs out that EPOSEPA feeds relevant information to exporters regarding market and production information, which is one of a backbone information for market decisions, offering price and implements day to day decision in the export market. On the contrary, the existing value chain practice face lack of support from regulate bodies especially from ministry of trade and industry for the existing rule, procedure and working mechanism. These discourages the export market and create a room for different players to manipulate the sesame market and lack of protection for the export market from defaulters. Even the producer prefers to sell either directly to foreign market or exporter through Ecx, despite majority producers obligated to sell through primary market and Ecx.

According to the study, the strength of the existing sesame value chain is that it has good market acceptance at global market, gets free tariff privilege for major market, has good test & aroma and a government arrange pre-shipment finance against sales either sales contractor letter of credit.

On the contrary different stakeholder are identifies the below listed challenges create obstacle for sesame production and market.

- Lack of improved seed and agricultural input supplies,

- High post-harvest losses and high production cost, and extreme high price of Ecx
- Extremely high price of Ecx and abuse from some exporters on manipulating pre-shipment finances

Generally speaking, the existing value chain practice of sesame export market in northern parts of Ethiopia lack of integration among value chain actors. The sector is characterized by high level of inefficiency and is exposed to incur unnecessary charges. The stated challenges and cost sharply reduce the competitiveness of Ethiopian origin sesame seed and create opportunities for other competing countries.

5.2 Recommendations

In the process of value chain, actors jointly integrate their arms to improve production, reduce production and marketing cost, increase market attractiveness through efficiently reduce risk and cost to implement competitiveness of Ethiopian origin sesame seed. In fact, the success of a value chain is also affected by the performance and the effectiveness of value chain service providers. Based on the study finding, interpretation and conclusion the following recommendations forward to value chain actors, service providers and regulate bodies

- Enhancing production and productivities through provision of appropriate and improved seed. Agriculture research institute should create improved seed to resist heavy rainfall, wind shutter resistance products.
- The government and different stakeholders should look for alternative model of production to reduce the involvement of daily laborer and avoid unnecessary cost for weed remove, harvesting and threshing.
- Arrange loan and credit facility for small holding farmers to encourage them sell their crops at reasonable price.
- According to Ecx transaction procedure any traders who is interested to sell through Ecx the crop providers must have beyond 5 lots (50 quintals). However, majority of producers produce less than 5 lots from their field and Ecx should look for a solution to encourage farmers to sell directly through Ecx.
- Ministry of trade and industry should regulate unethical exporters and prepare mechanisms to encourage honest exporters to lead a market.
- Respected regulating bodies look for different model to protect export sector from the importers and manufacturer and different unethical players

- In addition, National bank of Ethiopia and different commercial banks should have a mechanism to evaluate and monitor pre-shipment finance allocation and take action if misallocation a finance for other purpose.
- Different regulating bodies must work together to enable sesame value chain to be more effective and efficiency, to develop the competitiveness of a product at global market.
- Ecx should install a system to control unethical and corrupt practice.
- Ministry of trade and industry should penalize default companies to keep the competitiveness of Ethiopian origin sesame seed.
- Finally, the researcher recommends Ministry of Trade, Custom office, Commercial Bank and NBE should conduct detailed studies collaboratively for pre-shipment finance and export sectors.

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APPENDIX - A

Questionnaire Question for Value chain Actors



ቅዱስቲ ማርያም ዩኒቨርሲቲ
St. Mary's University

St. Mary's University
School of Graduate Studies
MBA Program

Dear Respondent,

This Questionnaire is designed the Assessment of Value Chain Practice of Sesame Export Market in North Part of Ethiopia. The research output is mainly to fulfill the partial requirement of Master of Business Administration. The information gathered will be used fully and with due attention for academic purpose only. Moreover, all your responses to any of the question will be treated with highest confidentiality and no report of the study will never expose your identity. Therefore, your genuine, honest, and prompt response is a valuable input for the quality and successful completion of the paper. So, you are kindly requested to fill this questionnaire accurately and truly.

General Instructions

- ❖ There is no need of writing your name
- ❖ Circle the best appropriate answer for the multiple-choice questions and state your opinion briefly for short answer questions.
- ❖ I am hereby asking for a little of your time.

Thank you in advance for your cooperation and timely response, to contact please approach me through mulreta@outlook.com

THE FOLLOWING QUESTIONNAIRE DESIGNED FOR SESAME PRODUCERS

SECTION 1: DEMOGRAPHIC QUESTIONS

1. Age of Respondent ____? A. 18-30 Yrs. B. 31-50 Yrs. C. 51-65 Yrs. D. Above 65 Yrs.
2. Educational Level of producers ____? A. Can't Read and Write B. Can Read and Write
C. Grade 1-8 D. High School Level D. Diploma E. Degree
3. Marital Status ____? A. Married B. Single C. Divorced D. Widowed
4. Numbers of Total Family Size in Numbers __ Individuals? A. 2-4 B. 5-6 C. 7-10 D. Above 10

SECTION 2: SESAME PRODUCER ACTIVITIES CALANDER

5. Please indicate sesame activity calander in your locality mark with (✓)

Main Activity	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
<i>Land Clearing season</i>												
<i>Ploughing season</i>												
<i>Sowing season</i>												
<i>Weeding season</i>												
<i>Harvesting season</i>												
<i>Threshing season</i>												
<i>Marketing season</i>												
<i>Low Price Season</i>												
<i>Medium Price season</i>												
<i>High price Season</i>												
<i>Transport Shortage season</i>												

6.Type of sesame Producers ___? A. Small holders B. Commercial

7.What is the total area of land you allotted for sesame___?
 A. 1 Ha B. 2-5 Ha C. 6-10 Ha D. Above 10 Ha

8.Please indicate your average costs, transaction volume and price of sesame trading for effective month of sesame trading just for the last three years

Items	Amount
Seeds cost Birr/Ha	
Land Rent Birr/Ha	
Land Clearing Birr/Ha	
Fertilizers Birr/Ha	
Ploughing Birr/Ha	
Sowing Birr/Ha	
Weeding Birr/Ha	
Harvesting Birr/Ha	
Threshing Birr/Ha	
Bags Birr/Pcs	
Costs of accommodation for Labors/Ha	
Yield/Ha	
Post-Harvest Lost in Kg/Ha	
Sesame Selling price/Quintals	
Transport Cost to the market /Quintal	
Loading /Unloading cost	
Others Cost	

9. what was the average productivity of your farm ____?
 A. Below 3 Quintal/Ha B. 4 Quintal/Ha C. 5 Quintal/Ha D. Above 5 Quintal/Ha

10. If your answer is below 3 quintal/Ha have you tried to improve the fertility of your farm ___?
 A. Yes B. No

11. If your answer is “Yes” what was the technique you used to Improve soil fertility?

- A. Application of inorganic Fertilizer B. Utilization of organic fertilizer
 C. Use of crop rotation D. Use of Fallowing
12. Did you apply Crop Rotation_____? A. Yes B. No
- 13.If your answer is yes to question no 12, which crop do you use for rotation? (Multiple answers would be applicable) A. Sorghum B. Cotton C. Green Mung D. Others, Pls specify_____
14. The production of sesame mostly depends on ___? (Multiple answers would be applicable)
 A. The Price of Sesame B. The Price of substitute product C. Weather Condition
 D. Availability of labor E. Seed Availability F. Other please specify_____

SECTION 3: SERVICE PROVIDERS PERFORMANCE AND ADDITIONAL QUESTIONS

15. Did you get supportive service from government and/or Non-government offices to improve your productivity and efficiency in marketing____? A. Yes B. No
16. If your answer is “Yes” for Question No 15 from which office did you got to fill the identified Gap? (Multiple answers would be applicable)
 A. Ecx B. MOT¹⁵ C. MOA¹⁶ D. NGO¹⁷ E. Research Institute
17. How do you evaluate the performance of supportive service providers’ activities for Question No 16 ?
 A. Very Weak B. Weak C. Medium D. Good E. Very Good
18. To whom did you mostly sold your sesame seed in the last three Years?
 A. Aggregators B. Cooperatives C. Directly to Ecx
 D. International Buyers E. Commercial producers
19. From where do you obtain market information? (*Multiple answer would be possible*)
 A. From Friends B. From Radio and Television C. From Buyers
 D. From Ethiopian Commodity Exchange E. From Ministry of Agriculture
20. Do you agree the primary market offers reasonable price for best Quality? A. Yes B. No

21. Please mark (✓) problem related with Sesame Production, Marketing and Quality, Yield and Post-Harvest Lost and Transportation

<i>Heavy Rainfall</i>	<i>Rain Shortage</i>	<i>Wind during threshing</i>	<i>Weeds</i>	<i>Shortage of Labor</i>	<i>Disease</i>	<i>Limited Credit access</i>	<i>Market Access</i>	<i>Agricultural Input</i>	<i>Post Harvest Lost</i>	<i>Shortage of transport</i>

SECTION 3: OPEN ENDED QUESTION

Q.22. What do you recommend to improve and develop Sesame Production and Marketing activities in your area?

¹⁵ Ministry of Trade
¹⁶ Ministry of Agriculture
¹⁷ Non-Government Organization

**ቅድስተ-ማርያም ዩኒቨርሲቲ
የድህረ ምረቃ ት/ቤት
የሁለተኛ ዲግሪ ፕሮግራም
ለአምራቾች የተዘጋጀ መጠይቅ**

ውድ መላሽ :-

ይህ መጠይቅ የሰሊጥ የውጭ ንግድ የእሴት ሰንሰለት በሰሜን ኢትዮጵያ ያለውን አተገባበር ለማጥናት የተዘጋጀ መጠይቅ ነው። አጥኚዉ ይህንን መጠይቅ ያዘጋጀዉ ለሁለተኛ ድግሪ መመሪቂያ ፅሁፍ ለጥናት ግብዐት እንዲሆን ያዘጋጀዉ ነዉ።

የሚሰበሰበዉ መረጃ የሚያገለግለዉ ለጥናት ፅሁፍ ሚሚያ ብቻ በመሆኑ ይህንን መጠይቅ የሚሞላው/የሚመልሰው ግለሰብ ስሙን እንዲገልጽ አይገደድም ከመጠይቁም የሚገኘው መረጃ አጥኚው በሚሰጥር ይጠብቃል።

መጠይቅ የሚሞላው/የሚመልሰው ተጠያቂ በታማኝነት እና ተክክለኛ መረጃን እንዲሰጥ ጥናት አቅራቢዊዉ በትህትና ይጠይቃል።

አጠቃላይ መመሪያ

- ተጠያቂው ስሙን መጻፍ አይጠበቅበትም
- በምርጫ ለተጠቀሱት ጥያቄዎች ተስማሚውን መልስ ማክበብ፤ ከስራ እንቅስቃሴ፤ በስራ የሚያጋጥሙ ጥያቄዎችን ለጥያቄው መልስ ከሆነ (✓) መልክቱን በማስቀመጥ መመለስ ይቻላል። ከዚህ በተጨማሪ ባዶ ቦታውን ለጥያቄው ተስማሚ የሆነ ምላሾችን መጻፍ ይቻላል።
- ከላይ የተጠቀሱትን መመሪያ በመከተል ጥያቄዎቹን ለመመለስ ጊዜዎትን ስለተባበሩኝ እጅግ በጣም አመሰግናለሁ።

ምንም አይነት ተጨማሪ አስተያየት ካልዎትህ በሚከተለው ኢ-ሜይል አድራሻ መላክ ይችላሉ :- mulreta@outlook.com

ክፍል አንድ : ጠቅላላ ጥያቄ

1. የመላሹ እድሜ -----?

- ሀ. 18-30 ዓመት ለ. 31-50 ዓመት ሐ. 51-65 ዓመት መ. 65 ዓመት በላይ

2. የትምህርት ደረጃ -----?

- ሀ. ማንበብ እና መጻፍ የማይችል/ትችል ለ. 1-8 ክፍል የተማረ/ች ሐ. 9-12 ክፍል የተማረ/ች መ. ዲፕሎማ ሠ. ዲግሪ

3. የጋብቻ ሁኔታ -----?

- ሀ. ያገባ/ች ለ. ያላገባ/ች ሐ. የተፋታ/ች መ. ባለቤቱ/ቷ የሞተች/በት/ተባት

4. የቤተሰብ ብዛት-----?

- ሀ. 2-4 ሰዎች ለ 5-6 ሰዎች ሐ. 7-10 ሰዎች መ. ከ10 በላይ ሰዎች

ክፍል ሁለት .የሰሊጥ አምራች የስራ እንቅስቃሴ ወቅቶች በሰሊጥ የእሴት ሰንሰለት አተገባበር ላይ

5. ለሰሊጥ አምራች የስራ እንቅስቃሴ ከስር ለሚጠየቁት ስራዎች ተስማሚውን ወቅት/ቶች (✓) ምልክቱን እንዲያስቀምጡ ይጠየቃሉ

ዋና ዋና የስራ ዓይነቶች	መስ	ጥቅ	ህዳ	ታህ	ጥር	የካቲ	መጋ	ሚያ	ግን	ሰኔ	ሐም	ነሐ
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መሬትን ማጽዳት ወቅት/ቶች																				
ማረስ ወቅት/ቶች																				
መዝራት ወቅት/ቶች																				
አረም ማረም ወቅት/ቶች																				
ማጨድ ወቅት/ቶች																				
ማራገፍ ወቅት/ቶች																				
የገቢያ ወቅት/ቶች																				
ዝቅተኛ ዋጋ የሚሆንበት ወቅት/ቶች																				
መካከለኛ ዋጋ የሚሆንበት ወቅት/ቶች																				
ከፍተኛ ዋጋ የሚሆንበት ወቅት/ቶች																				
የማጓጓዣ እጥረት የሚከሰትበት ወቅት/ቶች																				

6. የሰሊጥ አምራች አይነት-----? ሀ. አነስተኛ ገበሬ ለ. ባለሀብት ገበሬ

7. ካለህ አጠቃላይ የማሳ ስፋት ላይ ምን ያህሉን ለሰሊጥ ለማምረቻ አዋልክ -----በሄክታር?

ሀ. አንድ ለ. ከሁለት - አምስት ሐ. ከስድስት - አስር መ. ከ አስር በላይ

8. ባለፉት ሶስት ዓመታት የሰሊጥ ገበያ ጥሩ በሆነበት ወቅት ለሰሊጥ ማምረቻ ያወጣኸው አማካኝ ወጪ ፣ ያገኘኸውን ገቢና ምርት ግለጽ

አይነቶች	መጠን
የሰሊጥ የዘር ወጪ ብር በሄክታር	
የመሬት ክራይ ብር በሄክታር	
የመሬት ማጽጃ ብር በሄክታር	
የማዳበሪያ ወጪ ብር በሄክታር	
የማረሻ ወጪ ብር በሄክታር	
የመዝራያ ወጪ ብር በሄክታር	
የአረም ማስወገጃ ወጪ ብር በሄክታር	
የአጨዳ ወጪ ብር በሄክታር	
የማራገፊያ ወጪ ብር በሄክታር	
የአንድ ጅንያ ወጪ ብር	
የሰራተኛ ምግብና ተያያዥ ወጪ ብር በሄክታር	
ያገኘኸው ምርት ኩንታል/ሄክታር	
ከተሰበሰበ በኋላ የምርት ብክነት በኪሎ/ሄክ	
የሰሊጥ መሸጫ ዋጋ ብር በሄክታር	
የማጓጓዣ ወጪ ብር በኩንታል	
መጫኛ እና ማረገፊያ ወጪ/ኩንታል	
ሌሎች ወጪዎች በኩንታል	

9. የምታሰርሰው እርሻ የሚያስገኘው አማካኝ ምርት -----?

ሀ. ከ3 ኩንታል/ሄክ በታች ለ. 4ኩንታል/ሄክ ሐ. 5 ኩንታል/ሄክ መ. ከ5ኩንታል/ሄክ በላይ

10. በጥያቄ 9 የምታገኘው ምርት 3 ኩንታል/ሄክ በታች ከሆነ የማሳህን ምርታማነት ለማሻሻል ያደረሰው ጥረት አለ -----?

ሀ. አለ ለ. የለም

11. ለጥያቄ 10 ምላሽ “አለ” ከሆነ ያደረሰው/ሽ----- ነው? (ከአንድ በላይ መልስ ይቻላል)

ሀ. ሰው ሰራሽ/የኬሚካል ማዳበሪያ መጠቀም ለ. የተፈጥሮ ማዳበሪያ መጠቀም

ሐ. የተለያዩ የእህል ዓይነቶች በማፈራረቅ በመዘራት መ. መሬቴን ያሙን ማሳረፍ/ማሳደር

12. የተለያዩ የእህል አይነቶች በማፈራረቅ ትዘራለህ /ሽ-----? ሀ. አዘራለሁ ለ. አልዘራም

13. ለጥያቄ 12 ምላሽ/ሽሽ “አዘራለሁ” ከሆነ የዘራሽው/ሽው የሰብል ዓይነት ምንድን ነው -----? (ከአንድ በላይ መስጠት ይቻላል)

ሀ. ማሽላ ለ. ጥጥ ሐ. ማሽ መ. ሌላ ካለ ግለፅ-----

14. የሰሊጥህን ምርት ለማምረት የሚያስወስኑ ነገሮች-----? (ከአንድ በላይ መልስ መስጠት ይቻላል)

ሀ. የሰሊጥ ዋጋ ለ. ሰሊጥን ተክቶ የሚዘራው ሰብል ዋጋ ሐ. የዓየር ንብረት ሁኔታ መ. የቀን ሰራተኛ አቅርቦት ሰ. የዘር አቅርቦት ሰ. ሌላ ካለ ግለፅ-----

ክፍል ሶስት : የአገልግሎት ሰጪ እንቅስቃሴ እና ሌሎች ተጨማሪ ጥያቄዎች

15. የምርትክን ሁኔታ ለማሻሻል የተለያዩ ድጋፍን ከመንግስት እና መንግስታዊ ካልሆኑ ድርጅቶች ታገኛለህ-----?

ሀ. አገኛለሁ ለ. አላገኝም

16 ለጥያቄ 15 ምላሽ “አገኛለሁ” ከሆነ አገልግሎቱን የሰጠህ ተቋም ማን ነው-----? (ከአንድ በላይ መልስ መስጠት ይቻላል)

ሀ. የኢትዮጵያ ምርት ገበያ ለ. ንግድ ሚኒስቴር ሐ. ግብርና ሚኒስቴር መ. መንግስታዊ ያልሆኑ ድርጅቶች ሰ. ምርምር ተቋም

17. ለጥያቄ 16 የመረጥከው ተቋም የድጋፍ እንቅስቃሴ እንዴት ትገልጻለህ-----?

ሀ. በጣም ደካማ ለ. ደካማ ሐ. መካከለኛ መ. ጥሩ ሰ. በጣም ጥሩ ሠ. እጅግ በጣም ጥሩ

18. ላለፉት ሶስት ዓመታት ሰሊጥን በብዛት የሸጥከው ለ-----? ነው

ሀ. ለሰብሳቢዎች ለ. ለማህበራት ሐ. ቀጥታ ወደ ምርት ገበያ መ. ለአለም አቀፍ ገዥዎች ሠ. ለባለሀብት ገበሬዎች

19. የገበያ መረጃ ከየት ታገኛለህ-----? ሀ. ከጓደኛ ለ. ከሬድዬ/ ቲቪ ሐ. ከገዢ መ. ከምርት ገበያ ሠ. ከግብርና ሚኒስቴር

20 የመጀመሪያ ደረጃ የገበያ መክከል ጥሩ ዋጋ ለተሻለ ምርት ያቀርባል ብለህ ታስባለህ-----?

ሀ. አዎ አስባለሁ ለ. አይ አላስብም

21. ከሰሊጥ ምርት፣ ጥራት፣ ገበያ ከተሰበሰበ በኋላ የምርት ጉድለት፣ ምርታማነት እና በማጓጓዝ ያሉ ችግሮችን (✓) ምልክት አድርግ (ከአንድ በላይ ምላሽ መስጠት ይቻላል)

ከፍተኛ ዝናብ	የዝናብ እጥረት	በሚራገፍበት ሰዓት የሚያጋጥም ንፋስ	አረም	የሰራተኛ እጥረት	ውስን የብድር አቅርቦት	የገበያ ችግር	የግብርና ግብአት እጥረት	የትራንስፖርት እጥረት	በሽታ	ከአጨዳ በኋላ የምርት ጉድለት

ክፍል አራት : ባዶ ቦታውን ሙላ

22. የሰሊጥን ምርታማነት እና የገበያ እንቅስቃሴ ለማሻሻል ምን ቢደረግ የሚል ሀሳብ አለ/ሽ? -----

QUESTIONNAIRE FOR SESAME AGGEGATORS/COLLECTORS

SECTION 1: DEMOGRAPHIC QUESTIONS

- 1.Age of Respondent _____? A. 18-30 Yrs. B. 31-50 Yrs C. 51-65 Yrs D. Above 65 Yrs
- 2.Educational Level _____?
 - A. Can't Read and Write. B.1-8 Grade C. 9-12 Grade D. Diploma E. Degree
- 3.Marital Status _____? A. Married B. Single C. Divorced D. Widowed
4. Numbers of Total Family Size _____ Individuals? A. 2-4 B. 5-6 C. 7-10 D. Above 10

SECTION 2: AGGEGATORS ACTIVITIES IN THE EXISTING VLAUE CHAIN PRACTICES

5. Please indicate sesame activity calander in your locality mark with (✓)

Main Activity	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
<i>Market period</i>												
<i>surplus of sesame period</i>												
<i>Transport Shortage period</i>												
<i>Shortage of sesame period</i>												
<i>Low Price Season</i>												
<i>Medium Price season</i>												
<i>High Price Season</i>												
<i>Finance arrangement Period</i>												
<i>Storing period</i>												

6. Who are your prime suppliers Sesame _____?
 - A. Small size farmers B. Cooperatives C. Commercial Producers D. Others, pls specify__
- 7.What are the basis for deciding your buying price _____? (Multiple answer could be applicable)
 - A. Quality of Sesame B. The availability of sesame C. demand
8. Who decides the market price _____?
 - A. Suppliers themselves B. Yourself C. Daily ECX market D. Demand and supply at Primary trading center
9. What is your Storage Capacity____?
 - A. Below 50 Quintal B.50-100 Quintal C. 100 Quintal D. Above 100 Quintal
10. For how many months do you keep the sesame seed at your hand?
 - A. Below 1 Month B. 1- 2 Months B. 2-3 Months C. 4-6 Months D. More than 6 Months

SECTION 3: SERVICE PROVIDER PEROFAMNCE AND OTHER QUESTIONS

11. Do you use any grading criteria when you buy your sesame seeds ? A. Yes B. No
12. If your answer is “yes” for question No 11, What were the grading Criteria _____? (Multiple answer is applicable)



ቅድስት ማርያም ዩኒቨርሲቲ
St. Mary's University

በቅድስት ማርያም ዩኒቨርሲቲ የድህረ ምረቃ ትምህርተ ክፍል ለሰብሳቢዎች የተዘጋጀ መጠይቅ

ውድ መላሽ :-

ይህ መጠይቅ የሰሊጥ የውጭ ንግድ የአሴት ሰንሰለት በሰሜን ኢትዮጵያ ያለውን አተገባበር ለማጥናት የተዘጋጀ መጠይቅ ነው። አጥኚዉ ይህንን መጠይቅ ያዘጋጀዉ ለሁለተኛ ድግሪ መመሪቂያ ፅሁፍ ለጥናት ግብዓት እንዲሆን ያዘጋጀዉ ነዉ። የሚሰበሰበዉ መረጃ የሚያገለግለዉ ለጥናት ፅሁፍ ሚሚያ ብቻ በመሆኑ ይህንን መጠይቅ የሚሞላው/የሚመልሰው ግለሰብ ስሙን እንዲገልጽ አይገደድም ከመጠይቁም የሚገኘው መረጃ አጥኚው በሚስጥር ይጠብቃል። መጠይቅ የሚሞላው/የሚመልሰው ተጠያቂ በታማኝነት እና ተክክለኛ መረጃን እንዲሰጥ ጥናት አቅራቢዉ በትህትና ይጠይቃል።

አጠቃላይ መመሪያ

- ተጠያቂው ስሙን መጻፍ አይጠበቅበትም
- በምርጫ ለተጠቀሱት ጥያቄዎች ተስማሚውን መልስ ማክበብ፤ ከስራ እንቅስቃሴ፤ በስራ የሚያጋጥሙ ጥያቄዎችን ለጥያቄው መልስ ከሆነ (✓) መልክቱን በማስቀመጥ መመለስ ይቻላል። ከዚህ በተጨማሪ ባዶ ቦታውን ለጥያቄው ተስማሚ የሆነ ምላሾችን መጻፍ ይቻላል።
- ከላይ የተጠቀሱትን መመሪያ በመከተል ጥያቄዎቹን ለመመለስ ጊዜዎትን ስለተባበሩኝ እጅግ በጣም አመሰግናለሁ።

ምንም አይነት ተጨማሪ አስተያየት ካልዎትህ በሚከተለው ኢ-ሜይል አድራሻ መላክ ይችላሉ :- mulreta@outlook.com

ክፍል አንድ : ጠቅላላ ጥያቄ

1. የመላሹ እድሜ -----?

ሀ. 18-30 ዓመት ለ. 31-50 ዓመት ሐ. 51-65 ዓመት መ. 65 በላይ

2. የትምህርት ደረጃ -----?

ሀ. ማንበብ እና መጻፍ የማይችል/ትችል ለ. 1-8 ክፍል የተማረ/ች ሐ. 9-12 ክፍል የተማረ/ች መ. ዲፕሎማ ሠ. ዲግሪ

3. የጋብቻ ሁኔታ -----?

ሀ. ያገባ/ች ለ. ያላገባ/ች ሐ. የተፋታ/ች መ. ባለቤቱ/ቷ የሞተች/ት/ባት

4. የቤተሰብ ብዛት -----?

ሀ. 2-4 ሰዎች ለ 5-6 ሰዎች ሐ. 7-10 ሰዎች መ. ከ10 በላይ ሰዎች

ክፍል ሁለት : የሰሊጥ ሰብሳቢዎች የስራ እንቅስቃሴ ወቅቶች በሰሊጥ የአሴት ሰንሰለት አተገባበር ላይ

5. ለሰሊጥ የስራ እንቅስቃሴ ተስማሚዉን ወቅት/ቶች (✓) ምልክት አድርጉ (ከአንድ በላይ ወር ምልክት ማድረግ ይቻላል)

ዋና የስራ እንቅስቃሴዎች	መስ	ጥቅ	ህዳ	ታህ	ጥር	የካቲ	መጋ	ሚያ	ግን	ሰኔ	ሐም	ነሐ
የገበያ ወቅት/ቶች												
የሰሊጥ ምርት አቅርቦት የሚበዛበት ወቅት/ቶች												
የማጓጓዣ ዕጥረት ወቅት/ቶች												

የሰሊጥ ምርት አቅርቦት ወቅት/ቶች																			
ዝቅተኛ ዋጋ የሚቀረብበት ወቅት/ቶች																			
መካከለኛ ዋጋ የሚቀርብበት ወቅት/ቶች																			
ከፍተኛ ዋጋ የሚቀርብበት ወቅት/ቶች																			
በሰሊጥ ግዥ የሚውል ገንዘብ መሰባሰቢያ ወቅት/ቶች																			
የማከማቻ ወቅት/ቶች																			

6. ዋና የሰሊጥ ምርት የሚያቀርብላችሁ ማን ነው-----?
 ሀ. አነስተኛ ገበሬዎች ለ. ህብረት የሰራ ማህበራት ሐ. ባለሀብት ገበሬዎች መ. ሌላ ካለ አብራራ -----

7. የሰሊጥን የመግዣ ዋጋ የሚወስነው ----- ነው? (ከአንድ በላይ ምላሽ ይቻላል)
 ሀ. የሰሊጥ ጥራት ለ. የሰሊጥ አቅርቦት ሐ. ፍላጎት
8. የሰሊጥ የገበያ ዋጋ የማወስነው ማን ነው -----?
 ሀ. ሰሊጥ የሚያቀርቡት ነጋዴዎች ለ. አንተ ራስህ ሐ. በየቀኑ የሚወለው የምርት ገቢያ ዋጋ
 መ. በመጀመሪያ ደረጃ ገበያ ያለው አቅርቦት እና ፍላጎት
9. ምን ያህል መጠን የሰሊጥ ማከማቻ አለህ-----?
 ሀ. ከ50 ኩንታል በታች ለ. 50 ኩንታል ሐ. 100 ኩንታል በላይ
10. በእጅህ ላይ ሰሊጡን ለምን ያህል ጊዜ ታውቃለህ -----?
 ሀ. 1 ወር በታች ለ. 1-2 ወሮች ሐ. 2-3 ወሮች መ. 4-6 ወሮች ሠ. 6 ወሮች በላይ

ክፍል 3 : የአገልግሎት ሰጪ ተቋማት እንቅስቃሴ እና ሌሎች ተጨማሪ ጥያቄዎች

11. ሰሊጥ ከሚያቀርብልህ ላይ በምትገዛበት ወቅት የሰሊጥን ደረጃ የምትለካበት መስፈርት አለ-----?
 ሀ. አለኝ ለ. የለኝም
12. ለጥያቄ ቁጥር 11 መልስህ “አዎ” ከሆነ ምን ዓይነት መስፈርት ትጠቀማለህ (ከአንድ በላይ መልስ ይቻላል)
 ሀ. የሰሊጡ የክለር ሁኔታ ለ. የሰሊጡ መጠን ሐ. የሰሊጡ ዝሪያ መ. የሰሊጡ ጥራት
13. ሰሊጡን ስትሸጥ ሌላ ሰስተኛ ወገን የጥራት ደረጃውን ታስመረምራለህ -----?
 ሀ. አስመረምራለሁ ለ. አላስመረምርም
14. በጥያቄ ቁጥር 13 ምላሽህ “አዎ” ከሆነ ይህንን የደረጃ መስፈርት ማን ያከናውነዋል-----?
 ሀ. ንግድ ሚኒስትር ለ. ግብርና ሚኒስትር ሐ. የምርት ገበያ መ. ጥራትና ደረጃዎች መስሪያ ቤት
 ሰ. ሌላ ካለ ግለፅ-----
15. ለተራ ቁጥር 14 የመረጥከውን አገልግሎት ሰጪ እንዴት ነው የሰራ እንቅስቃሴውን የምትመዘኑው-----?
 ሀ. እጅግ በጣም ጥሩ ለ. በጣም ጥሩ ሐ. ጥሩ መ. ምንም አይልም ሠ. መጥፎ
 ረ. መጣም መጥፎ ሡ. የከፋ
16. በጥራቱ የተሻለ ምርት ለማግኘት ጥሩ ጥራት ያለው ምርት ለሚያቀርብ አቅራቢ የዋጋ ማበረታቻ ትሰጣለህ-----?
 ሀ. አሰጣለሁ ለ. አልሰጥም ሐ. አልፎ አልፎ አሰጣለሁ
17. በልምድህ የሰሊጥን ጥራት ሁኔታ ተፅዕኖ የሚያሳድረው/ሩት -----ነው? (ከአንድ በላይ መልስ መስጠት ይቻላል)
 ሀ. የአየር ፀባይ ሁኔታ ለ. የገበሬዎች ደካማ የግብርና አተገባበር ሐ. የተለያዩ የሰሊጥ ዝርያዎችን ማደባለቅ
 መ. የሰራተኛ ዕጥረት ሰ. ሌላ ካለ ግለፅ-----
18. ባለፉት ሶስት ዓመታት የሰሊጥ ገበያ ጥሩ በሆነበት ወቅት የሰሊጥ አማካኝ ግዥ፤ የገዛኸው ምርት ፤ ገቢን ግለፁ

ዝርዝሮች	መጠን
በቀን የምትገዛው ሰሊጥ በኩንታል	
የሰሊጥ ማከማቻ ወጪ ብር በኩንታል/በወር	
የሰሊጥ መግዣ ወጪ ብር በኩንታል	
የሰሊጥ መሸጫ ብር በኩንታል	
የሰሊጥ ማጓጓዣ ወጪ ብር ኩንታል	
ለምርት ገቢያ የሚወጣ ወጪ ብር በኩንታል	
የሰሊጥ መጫና ማወረጃ ወጪ ብር በኩንታል	
የጅንያ ዋጋ ወጪ ለአንድ ኩንታል	
የማበጠሪያ ወጪ ብር በኩንታል	
ሌሎች ወጪዎች (ቀረጥ ፤ ወዘተ...)	

ክፍል 4 ባዶ ቦታዎች ሙሉ

19. የሰሊጥን ጥራት ፤ ምርት ፤ አቅርቦት እና ገቢያ ላይ ተፅዕኖ የሚያሳድሩ ዋና ዋና ችግሮች ምንድን ናቸው ?

20. የሰሊጥ ምርት፤ አቅርቦት እና ገቢያ ለማሻሻል ምን ቢደረግ ይሻላል ብለህ አስተያየት ትሰጣለህ/ሽ ?

QUESTIONNAIRE FOR SESAME EXPORTERS

SECTION 1: DEMOGRAPHIC AND GENERAL QUESTIONS

1. Age of respondent ___? A .18-30 Yrs. B. 31-50 Yrs. C. 51-65 Yrs. D. Above 65 Yrs.
2. Educational level of the respondent____?
A. High School B. College Diploma C. Bachelor's Degree D. Master's
3. For how long have your organization been in the business____?
A. 1 to 2 years B. 3 to 5 years C 6 to 10 years D. 11 -20 years E. 20 + years
4. How many employees operate in your organization_____?
A. 1 to 10 B. 10-20 C. 20 to 30 D. More than 25
- 5.The size of your sesame export volume ___ per year?
A. Below 1000 Mt B. 1000-2000 MT C. 2000-5000MT D. Above 5000MT

SECTION 2: EXPORTER ROLES IN VALUE CHAIN PRACTICE

6. Which of the following describes the type of business you are engaged in (multiple Answers will be applicable)?
A. Export B. Import C. Producer D. Agent E. Freight forwarder
E. others, please specify_____
7. Do you have warehouse_____ ? A. Yes B. No
8. If your answer is "Yes" for question No 7. Do you provide a cleaning service to other Exporters? A. Yes B. No
- 9.If your answer is "No" for Question No.7, How do you get the cleaning service?
A. Rented cleaning Plant B. Lease cleaning plant C. Use third party cleaning Service
10. Comparing with 2017/2018, how do you evaluate the performance sesame export volume of 2019 ___?
A. Significantly Lower B. Lower C. Similar D. Higher E. Significantly higher
11. Your level of satisfaction for 2017/18 sesame export revenue of the company is _____?
A highly Dissatisfied B. Dissatisfied C. Normal D. Satisfied E. Highly Satisfied
12. What is your expectation of future volume of sesame supply, as compared with the current season export volume is _____?
A. Significantly worsen B Worsen C No Change D. Improve E. Improve a lot

13. Who decides the export selling price for export business in your company is ____?
- A. G. Manager B. Export Manager C. Board of Management D. Owner
14. In your opinion, what could be the main reason your competitors engage in sesame export?
(Multiple answer will be applicable)
- A. To have good relationship with Banks B. To fulfil their Import demand
C. To generate better revenue from Export D. To get better privilege from Government
E. To have a better relationship with their buyer
15. How long will it take for a shipment starting from cleaning, arranging for export and loading on a vessel and submitting documents to Banks?
- A. 20 Days B. 30 Days C. 45 days D. 60 and Above
16. Please indicate your estimated Average costs, transaction price of sesame trading just for the last one years

	Total Cost Build up of Sesame Expenses	Price /Qunital
	Purchasing price birr for effective month of export market	
	Impurity/ Reject cost for 3 %	
	Ware house cost	
	Loading / unloading cost	
	Cleaning cost /Machine Cleaning	
	Cost of bag	
	Transportation cost (From Ecx Warehouse to your cleaning Facility)	
	Transportation cost (From your cleaning Facility to loading port)	
	Cost of transit and port handling Charges	
	Over head cost	
	ECX costs	
	Inspection costs	
	Total cost before interest	
	Interest 10 % of total cost for 60 Days	
	Total cost after interest	
	Fob Selling price of 1qunital/ Birr	

How do exporters evaluate their sesame export activities, Export market, Quality of product, and their own role in the value chain over the last three years, in comparison with other exporters/other countries on each of the practical activities for sesame export market. please put a sign X on the appropriate number to indicate the extent to which you agree or disagree with each statement (The scale below will be applicable as Five-point scales ranging from “**Strongly Disagree**” to “**Strongly Agree**” that is:

1 = **Strongly Disagree**, 2 = **Disagree**, 3 = **Neutral**, 4 = **Agree** 5 = **Strongly Agree**.)

17.No	Exporters Operational Activities	1	2	3	4	5
1 Price/Cost/Quality:						
1.1	Our company offer competitive prices					
1.2	Our country's origin offer is competitive price in the world market					
1.3	Material cost of sesame is competitive price at local market					
1.4	Our company can compete based on quality					
1.5	Ethiopian origin sesame can compete based on quality					
1.6	The local market price affects the quality of Ethiopian sesame at International market					
2 Delivery, Service, Commitment and Reliability:						
2.1	Our company delivers sesame seed on time and quality standard, as per the initial agreement					
2.2	Preparation of all necessary export documents timely and fulfilling customer requirements					
2.3	Respect for the contract signed and /LC					
2.4	International buyers rely on our company commitment					
2.5	Other exporters respect contractual agreement					
3 Exporter Capacity						
3.1	Presence of sufficient resources, in terms of skilled and capable employees in your Organization					
3.2	Availability of market information to make sales decision					
3.3	Presence of sufficient financial resources to run a business					
3.4	The commitment of an exporters affected by it's financial capability					

SECTION 4: SERVICE PROVIDERS PEROMANCE IN VALUE CHAIN PRATICES

18. How do you evaluate the availability of truck to transport raw and processed sesame from Farmer up to loading port?

A. Very Good B. Good C. No Idea D Worse E. Very worse

19. Sources of Finance (Multiple answer will be applicable)

A. Own source B. Commercial Bank of Ethiopia C. Private commercial banks

20. For sources of finance do you prefer to deal with_____?

A. Private commercial Banks B. State Commercial Bank

21. Please specify the reason for your answer _____

22. Service charges for Forwarding and logistics companies is it _____?

A. Very Expensive B. Expensive C. Moderate D. Cheap E. Very cheap

The role of service providers for the assessment of value chain actors for sesame production and export market please put a sign X on the appropriate number to indicate the extent to which

you agree or disagree with each statement. The item scales are five-point Likert type scales with **1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree**

23	Ethiopian Commodity Exchange Activities	1	2	3	4	5
1.1	The regulation of ECX that specifies minimum bidder Volume for sesame supplier creates problem for your business					
1.2	This minimum Bidder volume creates better bargaining power for the supplier					
1.3	The ECX platform helps the farmers/producer to generate better income					
1.4	The ECX working mechanism increases the probability of Quality adulteration and/ or exposed for corrupt practices					
1.5	It is better to transact sesame through ECX than the former face to face transaction					
1.6	The direct export of sesame by individual Farmers, Cooperatives Unions or Commercial farmers, bypassing the ECX marketing service/auction, has any adverse effect on your export market					
2 Different Commercial Banks Activity						
2.1	Banks arrange Pre-shipment finance to fulfils the exporters' financial requirement					
2.2	the role of banks extremely important for sesame production and marketing					
3 Quality Inspection Companies						
3.1	The quality inspection company conducts its business ethically and provides genuine analysis results					
3.2	The inspection company has any controlling mechanism to protect supply of blended type of sesame seed					
4 EPOSEPA¹⁸ Activities						
4.1	The information provided by the EPOSEPA is relevant input for Business related decisions					
4.2	The information provided by the EPOSEPA is accurate and reliable					
4.3	When your office faces a sector related problem EPOSEA looking for trailer solution discuss with respected government office					
4.4	The EPOSEA play considerable role adding value to the business transaction					
5 Ministry of Trade Activities						
5.1	The Ministry of trade creates smooth and attractive working environment					
5.2	The rules and procedures currently implemented protect the export market from local and International defaulters					

SECTION 5: OPEN –ENDED QUESTIONS

24. What challenge you face from supply side and market side?

¹⁸ Ethiopian Pulses, Oil seeds and Spices Processors, Exporters Association

25. Please list out the strength of Ethiopian origin sesame seed at global market?

26. What is your proposed recommendation to improve and develop the competitiveness of the Ethiopian sesame export?

APPENDIX -B

Interview Question for Service Providers

Interview Questions with Ministry of Trade / EPOSEPA

1. How do you explain the current value chain situation based on the context of your organization?
2. What is the role of your company to facilitate Sesame market and production?
3. What are the major challenges export market for Sesame seed?
4. How do you define Ethiopian sesame export market competitiveness at international market?
5. What is the comparative advantage Ethiopian sesame seed, and do you believe is it profitable sector?
6. When an exporter /International buyer face lack of commitment of dealing, what is the role of your company?
7. Do you think the international buyer has built a strong trust on Ethiopian exporter? If No please specify the reason?
8. Do you think the existing value chain supports farmers and exporters to get better income from a sector? If yes what are the opportunities? If no what are the challenges in your opinion?
9. In your thought, what is the strength of the existing value chain and who are the most benefited chain actors? And Why?
10. Is there any bilateral trade agreement to improve Ethiopian sesame export (Like Import Tax Exempt)?
11. How many sesame exporting members exist in your organization?

Interview questions with Different Commercial Banks

1. What is the role of your company to facilitate Sesame market and production?
2. How do you evaluate the Directives NBE in encouraging to improve the sesame export sector?
3. Are there any legal or regulatory restrictions that hinder not to facilitate export shipment?
4. What are the strengths and weaknesses of sesame export comparatively with other products in terms of volume and revenue?
5. What kind of financial instrument does your office implement to enhance sesame export market?
6. What are the main requirements of arranging pre-shipment finance?
7. Does the shortage of foreign currency have any positive or negative impact on export performance?

8. Do you think your organization is performing well the sesame export market to succeed? If no what are the challenges?

Interview questions with Ethiopian Commodity Exchange

1. How do you see the function of Ethiopian commodity exchange in the existing value chain and do you believe it add value/s for export market? If yes for which chain actors?
2. Do you believe the daily traded price of Ecx considers the International selling price?
3. What is the benchmark to set a price? is there any instrument to adjust a local price if they are higher than international market?
4. Value chain actors have complaints on service charges of Ecx. Do you agree it is rational to trade based on price instead of Volume?

Interview questions with Forwarder /Shipping Lines

1. What are the roles of your organization to facilitates Sesame market and Production?
2. Do you believe shipping and forwarding costs are competitive?
3. How do you evaluate the rate of vessel call to loading port and availability of empty containers at loading ports?
4. How is the availability and a price of truck, vessel?
5. How much volume proportion of sesame compare with other export items?

Interview questions with Quality Inspection Companies

1. What are the roles of your organization to facilitates Sesame market and Production?
2. How do you define the quality of sesame export products, in your experience? Are they fulfilling the specifications?
3. Has your office all technical and material availability in order to make analysis?
4. What kind of challenges do you face making an analysis, in the case of Sesame product?