

## OUR HISTORY

It was only 2005 when Acos Ethiopia came to light from a pioneering idea of forward thinking people, the Pedon family.

Ethiopia then was an even more challenging environment than it is now, both logistically, environmentally and from a human point of view. Years of political tensions, high population density, volatile weather and demographic remoteness had impacted severely on Ethiopia's development. Agriculture in Ethiopia is still today reliant on smallholder, rain-fed farming systems providing 45% of Ethiopia's GDP and 85% employment. Main export products such as coffee, chat, white beans and sesame are major, important sources of foreign exchange for what remains one of the world's poorest countries.

Nevertheless, Pedon saw the development potential in Ethiopia's agricultural land and committed large investments towards an European standard bean cleaning & processing site facility in Nazareth, in the Rift Valley region, approximately 100Km from Addis Abeba. Acos Ethiopia, a Pedon group company was born.



Addis Ababa (Offices)

Nazaret (Offices & Production Site)



## OUR STRATEGY & VISION

First of all, we concentrated on providing suitable education opportunities to our workers' children by building a school next to our sophisticated Nazareth plant. Since our workers are mostly ladies, hence traditionally caretakers, this afforded a caring and professional environment in which to leave their loved ones. Today the school has grown to accept 250 children, offers bus transport, a free canteen service, is open to non-workers children and most of all, is completely free of charge.



Secondly, we established long-term links to various NGOs mainly SFL (Sustainable Food Laboratory) and CRS (Catholic Relief Services), which had a strong presence in Ethiopia, but also Save the children, Oxfam and more recently IFRI (International Food research Institute). As global food company we have always felt the need for a sustainable use of agricultural resources, and especially in Ethiopia the need to be transparent and fair towards our suppliers' market. Beans in Ethiopia are an export product grown by poorer farmers. White pea beans (also known as Navy beans) especially, which are processed in European and American Markets into baked beans, have been exported by Ethiopian smallholders for more than 30 years.



## AGRICULTURAL BACKGROUND

Although Navy beans were a major export product for Ethiopia, there were no local GAP (Good Agricultural Practices) and training materials to promote better quality and higher yields. To this extent, Acos worked in partnership with CRS and EIAR (Ethiopian Institute of Agricultural Research) to write training materials and disseminate them to farmers' cooperatives. Additionally, there were no bean seed companies based in Ethiopia at the time and farmers continued to plant low quality seed. CRS and Acos worked jointly with researchers from the Ethiopian Seed Enterprise to improve basic seed and distribute it to smaller farmers. 700mt of seed were supplied to 15,000 small farmers; most received 20Kg equivalent to plant one acre.



## ACOS' MARKET ROLE

By 2008 the main European canning industries and some American ones started to appreciate the Ethiopian product. Acos' main Ethiopian Navy pea beans client in Europe had significantly increased their procurement of beans from Ethiopia and managers had grown confident of Acos' product. Coop was mixing Ethiopian beans in the 400g retail packs and indicating the source on the ingredients. This was a significant promotion for the Ethiopian beans and highlighted that they were a quality product. Consequently, in order to distinguish the Ethiopian beans further, Acos and CRS developed a single variety strategy, the Awash Melka, a larger, flatter and more creamy colour bean variety, which became the single seed supply chain for branded products.

Acos worked together with CRS to build a value chain that boosted bean exports thus creating income for thousands of smallholders. The presence of a strong intermediary to drive procurement, quality and efficiency was key to link successfully informal smallholders to modern markets. In Acos' case, connecting African farmers with high-value markets such as the European canning industry proved to be the most challenging yet rewarding and viable aspect.



March 2012 saw the celebration of Acos' achievements within the Ethiopian navy bean value chain with the visit of Mr Bill Gates as chairman of the Gates Foundation to our Nazreth plant. Gates had been donating heavily for many years into the development of bean seed varieties in Ethiopia, a country very close to his heart. Mr Gates described Acos as "A great example of private investment in developing countries<sup>1</sup>"



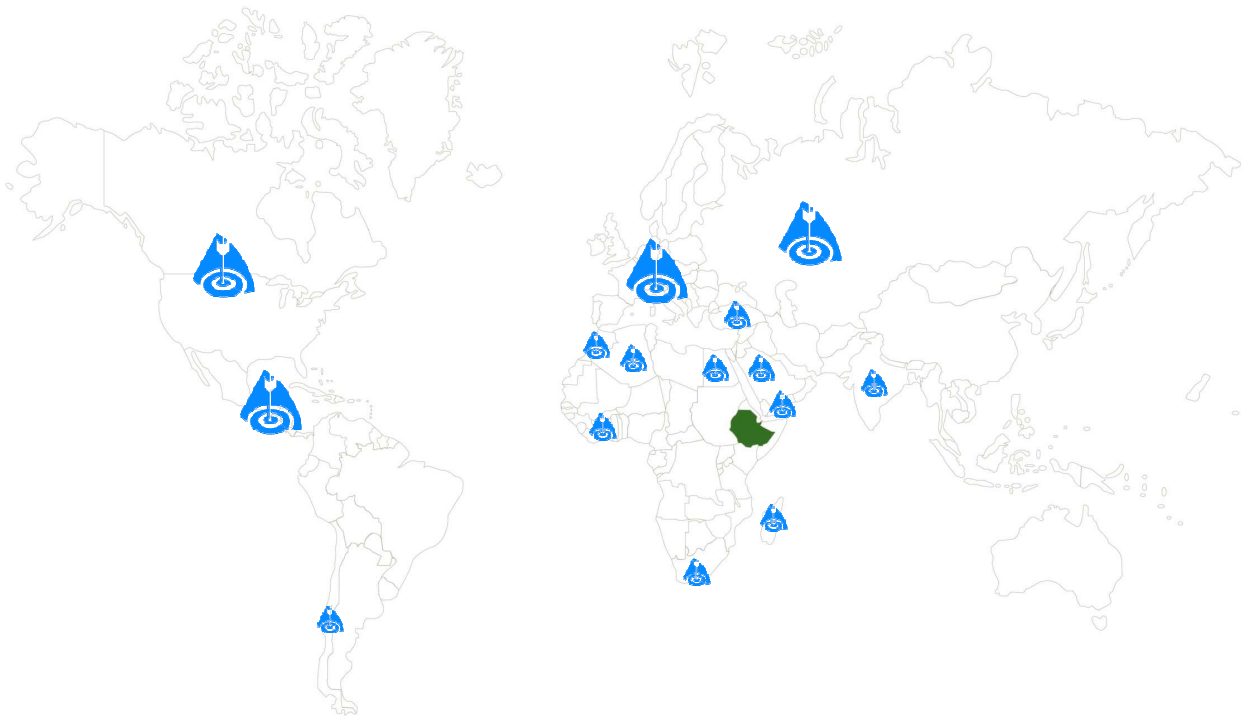
<sup>1</sup> The Sub Saharan Informer, 17.5.12, pag.5

Sources: "Linking Worlds-Practical lessons for connecting small scale producers to formal markets" by CRS 12.9.11

## WHERE WE ARE TODAY

Since then Acos has grown to involve 350 employees , creating income for 15.000 families, supporting 10m \$ investments and opening new trade markets.

Currently, Navy export market from Ethiopia exceeds 50,000Mt per annum of which 30,000Mt are sold by Acos.



**Exports: 30,000 tons annual production**

**NORTH & CENTRAL AMERICA, CILE, EUROPE, RUSSIA, TURKEY, INDIA, SAUDI ARABIA, YEMEN, EGYPT, MAROCCO, ALGERIA, GHANA, MADAGASCAR, SOUTH AFRICA**

Today, we are confident and proud in saying that white pea beans from Ethiopia have contributed to the country's recent economic development. They have lifted many families out of poverty and contributed to the modernization of the agricultural sector. Yet the feeling remains in buyers the world over concerning several aspects of trading with Africa: production reliability, food safety issues and most of all the perception by consumers that greedy buyers were taking food out of hungry people. The need to spread this compelling ethical story remains in order to help market Ethiopian navy beans in the future.