



News Release

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FOR IMMEDIATE RELEASE

Canada announces project to enhance agricultural development in Ethiopia

Ottawa, Ontario— Deepak Obhrai, Canada's Parliamentary Secretary to the Honourable Beverley J. Oda, Minister of International Cooperation announced today that Canada is supporting Ethiopia's agricultural sector and the country's goal of increased food security.

Canada, through the Canadian International Development Agency, is supporting the Agricultural Growth Program, a major national initiative aimed at helping farmers become more productive and better linked to local and regional markets.

"One of the greatest needs in Ethiopia's agricultural sector is to increase investment in areas where there is high potential for agricultural growth," said Mr. Obhrai, "Canada is proud to be working with the World Bank and other donors to support Ethiopia's Agricultural Growth Program. Well-targeted investments in areas such as rural infrastructure and stronger linkages to markets can help to transform subsistence farmers into commercial producers."

The Agricultural Growth Program focuses on helping smallholder farmers in 83 districts to cultivate food and deliver their products to market. CIDA's funding of \$18.75 million over five years will benefit an estimated 126,000 households, of which 9,000 are headed by women. Activities will include strengthening organizations that support farmers, and supply systems for seed and livestock breeds, the development of rural infrastructure, and the implementation of better soil and water conservation practices.

Agriculture is the dominant sector of the Ethiopian economy, contributing about 45 percent to the gross domestic product and representing almost 90 percent of exports and 85 percent of employment. While the annual agricultural sector growth rate has averaged 10 percent since 1997, there is still significant potential for improvement. The Agricultural Growth Program will channel investments in rural infrastructure and agricultural services to help smallholder farmers become more productive and better linked to agricultural markets in these high potential areas.

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