# Interviews on non- farming by males in Adado, Gedeo

## Trade

### Facts about trade

Market for buying consumable crops is available both in Adado and in Bule. Households buy maize, barley, beans and other crops for consumption purpose mostly from Bule woreda market. Sometimes, people move to other market places like Wanago to buy consumable crops. Market for selling crops such as coffee is not limited to Adado and Bule, but individuals also move to places such as Dilla. The community have very limited crop products of maize, wheat or other cereals; therefore, they do not sell beyond local markets. Livestock such as fattened ox is sold in Bule or in nearby markets such as Hoticha. Livestock market in the community is limited when compared to crop markets. Enset products such as Kacha, Bula and sometimes Kocho is sold in Adado, Bule or in nearer markets in neighbour kebeles. Market is an exchange of goods and services between and among the individuals in the community or outside. The coffee market is massive when compared to other products. In Adado urban areas there are five small shops (Kiosk); not more than eight people selling tea and bread; only two mini restaurants; two film/Television watching service centres; two local drink selling homes, one bread bakery shop and three local biscuit selling centres. There are small shops, restaurants, and other service selling places in the broader Adado. Near the town there are skilled workers such as blacksmiths and local drink sellers. Children selling sugar care are also found in at least two places in the kebele. Two barbery places (not shops) are found on market days. Butchers bring meat from other places and sell in the market centre in Adado. People sell wood from their land; there is no other source of wood. There is no grass supply in Adado’s market if not bought from other places such as Bule woreda market.

In general, the Adado community is a net supplier of coffee and enset products in neighbour markets. Livestock are mostly bought from Oromia zone. Crops such as maize and others are in net bought from neighbour kebeles. Shopping items are also brought from Dilla zonal market.

## Cash crops

### Most important cash crop sold by big trader

Relatively, the coffee trade is the biggest among trade activities in the community. All sellers are middle sellers to the coffee union, which is a big farmers’ cooperative buying and selling coffee. In trying to scope interviews to find a larger trader in this category, the community knowledgeable persons, leaders as well as traders interviewed explained that sellers are almost identical and there is no as such any outlier. Thus, there is no large trader interview.

### Second most important cash crop sold by big trader

No big trader in the community

### Big trader’s activity

No big trader in the community

### Most important cash crop sold by middle trader

A man, aged 32, is engaged in both coffee trade and farming activities in the community. He is one of the many middle coffee traders in the community. He stayed for 14 years in coffee trading activities. Besides the main coffee trading activities, he is also involved in other small trades such as selling enset, sheep, cow and other items depending up on their availability and seasonal variation. He prefers coffee trading to all other types of trading. He mentioned that trading is limited to some items only due to financial shortage, otherwise, business is supposed to be profitable if worked systematically.

They use mules, horses and donkeys to transport the coffee from the farmers’ gate to the Union centre. However, transportation is sometimes difficult since the internal paths are not good in the community. He commonly buys coffee from both farmers and other small-scale sellers collecting from farmers. He said that this is a usual process for all middle traders like him in the community.

He sells enset, sheep, cows and any other item to finance the trading activities. He does not necessarily buy from the same farmer supplier rather he collects from any local supplier. He mentioned that lack of finance is a serious problem to further engage in other businesses and to expand the coffee trade itself. He mostly supplies the Union if the coffee is fresh, otherwise he sells the dry one in Dilla.

Pricing decision for coffee is mostly dependent on the price signals from the national market. As fresh coffee is perishable the Union has the power to decide upon the price. If the trader does not sell on time, it will be difficult to sell to other places. The dry coffee is sold in Dilla and for this there is price negotiation because there is no problem, it is not perishable as the fresh one if stored to sell it in future.

He earned 750 ETB as net income in the last twelve months of trading activities. This is excluding consumption expenditures regularly made during this period. If this is included, the earning is not less than two thousand.

In trading this crop, lack of finance and fluctuating price are major problems. Price improved from 70 ETB (2003 E.C) to 100ETB (2004 E.C) and then declined to 35.75 ETB (2005).

He reported that coffee is “a green gold for us”. Therefore, the central coffee market price should be improved so that the local price would be improved. There is no free land to involve in other crop growing in the community; therefore, the government should take into account the problem. He added that there is no other livelihood means in the community if the price of coffee declines all of a sudden. He said that “we have coffee for cash and enset for consumption, no more!”

### Second most important cash crop sold by middle trader

There is no other cash crop in the community. Coffee is the primary and only cash crop whereas enset is the subsistence crop. There are crops such as maize, barley and others, but their production is just for home consumption. Mostly, the community buy consumption items from outside markets. Selling other crops is only for short-term smoothing daily income shocks and not considered as trading cash crops. Thus, there is no interview for second important cash crop.

### Middle trader’s activity

He involves in selling enset products in some occasions. He buys maize, teff, maize powder, beans, barley and other crops from neighbour kebele markets outside the community and retaisl them in Adado market days. Trade for other crops is very limited and the market is also fragmented. Most of the time non-cash crops are sold to households for home consumption. He involves in non-cash crop selling only when the coffee market is out of season. He also trades livestock and this is better than other crops. He earned a profit from selling a cow in the year 2004 (buying for 1200 ETB and selling for 3500 ETB). However, livestock trade is not as much massive as that of coffee trading.

Coffee crop trade is the most profitable in the community. Most of the time, local prices are decided by negotiation of the two parties involving in trade. As mentioned above, finance for trading activities is raised from selling other household items. He mentioned that there has been no support from anyone for his trading activities. Government is not supporting anything related to trading activities except farming activities.

He employs no one. He said that the activities are not beyond his capacity so there is no need to hire an additional person. Most of the time, the respondent involves in farming activities as a major task besides trading cash and non-cash crop items. He reported that coffee trade would be improved if the national price was better revised. In the community, he said, coffee price shock is the worst shock affecting households’ income and livelihoods and draining other household assets. To quote him, “Coffee price is like a car accident, its price declines unexpectedly”. In addition to this, lack of finance is a very important constraint that limits trading. He is not involved in education activities; however, he attended up to 6th grade in the past.

### Most important cash crop sold by small trader

Petros Ayele, aged 34 and married, has 3 children and he is one of small scale coffee traders in the community.

Most of the time, he involves in this activity during the peak coffee harvesting season-November, December and January. He has been trading coffee for the last five years. He mentions that there is a little change: he bought sheep, constructed a home with an iron sheet roof, and supports his family. He mentioned that this is financed mostly by trading activities besides farming. Coffee trading is subject to the problems related to pricing. Most of the time, lack of finance significantly affects the trading. This is further aggravated with price fluctuation. He involves in this trading activity by himself and sometimes works with friends or one of his family members.

He reported that he earned 1000 ETB in the last twelve months. There is no tax payment for his trading activities. There is no other trading activity. He is a farmer and owning 0.3 hectares of land. Currently, he is not in education, but he completed 6th grade.

### Second most important cash crop sold by small trader

He does not involve in any other trading activities. He mentioned that there is no other cash crop traded in the community. Other crops are brought from other market places and sold to households for consumption purpose. Farmers in the community produce small amounts of maize in Belg season and use it for home consumption. As other respondents, he mentioned that there is no other cash crop produced for sale. However, he said that his family members sometimes sell enset and cabbage for buying other consumable items like maize itself, barley, fuel and others used at home. He also works on house construction in the community to earn an income. Thus, there is no interview for next important cash crop.

### Small trader’s activity

The respondent is not involved in trading other crops. For him, coffee trade is the most profitable. He said that other crop trade is less practical in the community since households have access to other market places to buy from whole sellers. Individuals who bring other crops from outside market places sell at expensive prices in retail on the market in Adado.

However, he sometimes involves in house construction works in the community to earn non-farm income. He worked for four months in the last twelve months. Currently, the respondent is not in education, but he involves in other tasks such as trading, farming and skilled works. He allocates his time as follows: coffee trading is underway in the coffee season; farming is also not at the same time as coffee trading or harvesting whereas house construction work for income earning is a short-time activity. My activities are not affecting each other, he said.

### Most important cash crop sold by self-trader

One of the households involved in coffee producing and selling is interviewed. The respondent reported that the coffee harvesting season ranges at least for three to four months. Thus, in this period the person sells fresh coffee to the Union and also dry coffee in Dilla.

He has been involved in this activity since a long time. Since forming his own family, the interviewee has involved in producing coffee and selling it in local markets and outside, as a producer-trader. He was comparing the price changes that had happened since his started up this business. He said that nowadays the change in coffee price is very many fold times greater than a decade back.

He mentioned that transportation is most of the time with mules, horses or donkeys to the main car road which connects Bule to Dilla. This is because there is no good access for vehicle in the kebele so most of the time, they do this way.

He mentioned that he earned at least 1100 ETB as net income. Most of the time income is spent on consumption goods and they do not really count every income. This year it was very small income due to lower productivity.

He is not paying tax and reported that the trade would be improved if they could produce much given that there is serious land shortage. He said that trade would be improved if he could involve in buying from others and selling it to larger market places. However, there is no sufficient money to further involve in this way.

### Second most important cash crop sold by self-trader

He said that I am rather a buyer of other crops for home consumption. He mentioned that there is no other cash crop in the community except coffee. People in the community trade coffee whether in small or large scale. It is difficult to find a person involved in other trade in the community. Thus, there is no self-trader involved in the second most important cash crop in the community.

### Self-trader’s activity

The person does not involve in any other crop trading. He is a farmer and involves in coffee trading when the season comes. Trading of coffee in its season (which is short) does not affect other economic activities. It means coffee harvesting season is distinct and does not overlap with the peak farming season. Coffee is the most profitable trade in the community. He said that no one wants to involve in other crop retail trade since coffee is locally available and its market is comparatively better when compared to others. Price for coffee is fixed in different ways depending upon its type. If fresh coffee is supplied to the Union, they give the price form telling the national coffee market price. If dry coffee is supplied to Dilla zonal market, there is some room to negotiate the price because it is possible to defer the selling if the price is too low. Whereas there is not much negotiation for fresh coffee once it is ready to be supplied, in order to protect the quality before perishing. He knows that national market price information helps to negotiate with both the Union and Dilla coffee market places. He hears coffee business messages from anyone who listens on the radio or watch TV in a day. The coffee price is mostly discouraging since the last year. It fluctuates unreasonably.

The self-trader is planning to involve in livestock trade. But, he is not planning to involve in any other cash crops.

Thus, the interview for other/second most important cash crops is not applicable in the community.

## Livestock trading

There are a few livestock traders in the community. In the last 12 months he bought 20 cattle (10 oxen, 10 cows) and sold them. He brings oxen and cows from Guji. The breeds are not improved. He involves in livestock trade in Bega and Kiremt seasons, otherwise, he involves in farming activities. Most of the time, he buys the cows and oxen in Bule woreda market and sells in Raphe market place nearby Adado. People buying from him use the oxen and cows for fattening purpose. The market price is fixed based on negotiation by the two parties. Fluctuation is common. In kiremt season, prices decline and in Bega season prices improve. He reported that there was no active market in the last twelve months and he earned 500ETB net profit. He called it “loss year”. Market tax payment is 10 ETB/ market day.

He has not involved in shoat trading.

Regarding his access to finance for trading activities, he has saved for a long period. There is a very serious lack of finance to run this business. This business requires at least more than 50,000ETB. He has no business license. He employs no labour. Farming is his co-business in addition to livestock trade. He is illiterate. He started livestock trade in Bule market place. He reported that the trade would be better if there was access to finance. For improving livestock trade, access to credit would be important because they engage in livestock but face lack of enough finance to involve in massive trading.

## Livestock products

### Male traders in livestock products

In general, livestock trade is very weak in the community. Trade for butter, honey, and eggs are not massive. These items are supplied on the market for households using for consumption purpose. However, there are middle traders for skins and hides in the community. Specially, in the coffee season the meat demand by households is higher and the livestock hides/skins are supplied to the market by households themselves and smaller traders collecting from households. There are at least five middle level skin and hide traders in the community. One of them was selected for the present interview. He mentioned that the middle traders involved in skins and hidse are collecting them from the community and market places for selling to larger traders sending the items to Addis Ababa central market. He collects from households and smaller collectors from households so that the larger traders collect from him for national market supply.

### Interview with livestock trader

Here a person trading skins and hides in the community and outside the community is interviewed. He has a license from Oromia region; however, he has no license from Gedeo/Adado. He collects skins/hides from the community and supply to larger traders outside the community, those sending to Addis Ababa central market. He started in the year 1971 E.C. on a very small scale.

The product is larger in Bega and smaller in Kirmet season. In Bega season, he buys a full amount transported by ISUZU car. However, in kiremt season, it is a very small amount since there is no active market for meat products in the community.

He usually collects from the community. The trader has several customers, three in number. He regularly collects from them during Bega season. Indeed, there are community members directly supplying for him. He sells to the same larger traders supplying for national markets in Addis Ababa. He has earned 4000 ETB net income in the last twelve months.

He mentioned three options to get finance for his trade. One from the traders themselves by borrowing; the other is from coffee selling and third, from earlier savings. However, sometimes the traders do not send the sold amount as timelier as possible. During that time he faces lack of finance to buy other products.

He pays 210 ETB license fees where he has got it from Oromia Zone. He also pays market sell tax when he sells at market places.

He hires three boys in order to collect the skins and hides from the place where it has been bought. He hires when there is better trade in Bega season because there is huge supply at that time. This is temporary hiring. The trader is equally involved in farming activities. He prepares land for enset, coffee and other crops in farming season.

He reported that the price for livestock trading has been changing in the last a decade or so. This affects the value for money and discourages trading activities.

He is also taking part in coffee trading during coffee season.

## Micro, small and medium enterprises

### MSME facts

There is no small and medium productive enterprise in the community.

### Skilled production

Seven carpenters involved in logs production (input for chair, bed, table, ect. production) in their part-time are found in the community. There is no potter. There are six blacksmiths. They also take part in farming but they mostly involve in blacksmith activities. They produce farming tools and household materials useful for harvesting enset products. There are 10 tanners working on a part-time basis. They prepare skins for household use like bed net and chair.

There are no weavers, wool makers and people involved in spinning. There are 3 persons preparing baskets and chairs from bamboo trees. The floor for houses in urban or rural areas is made of it. Building is not at enterprise level, but small masonry activities are carried out by local individuals who got skilled during their stay in urban areas.

In general, the skilled works such as blacksmiths, carpentry and others have not much improved. They have no improved tools and processing. Specifically, blacksmith work is very important in the community in preparing farming tools but the people who are involved in this business perceive themselves as marginalized.

### Livestock and products production

There is no one involved in buying and distributing either ox or shoat to the community members for fattening business. However, a few individuals buy from other market places and fatten for a short time to sell in the local market or outside. And also there is no one involved in commercial production of livestock products. Generally the community in Adado is not much involved in livestock production or trade.

### Local drinks and food production

There is no one involved in large scale production of local drinks and food. However, there are nearly 12 small scale local drink producers in the community. These are involved in preparing local teji, tela, and areke (local alcohol).

### More detail on areki production

There is no large scale areke producer in the community. However, there are small scale local areke producers. The one most involved in producing areki was interviewed. As she mentioned, there are approximately 12 small-scale local areki producers. All have similar production scales. The interviewee reports that almost all continue to involve in this business because there are customers in the community. In a month, she can produce about 7-10 litres areki. The Areki is sold in the community. It is not as such a formal business that requires license, she reported. Input for the production is available in the local markets. She finances the buying of inputs from her personal savings and by selling coffee. She reported that the market for the product is not consistent and fluctuates with the coffee seasons. People drink much during the coffee harvesting season and less in other seasons. The price of output is fixed based on the input price. If the input price becomes expensive, the price for product increases to some extent.

### Non-farm male producer co-operatives

There is no single producer co-operative in the community.

### Natural resource sale

In the community, trees are mostly used to protect coffee plants from the wind and heavy rain that damage the coffee output. However, farmers also use the eucalyptus trees for home construction. Some trees are used for producing household utensils through carpentry work. There is no charcoal production in the community, and no free grass production land. Most of the community members are involved in coffee and enset agro-forestry production. The problem is lack of sufficient land to grow trees; otherwise, the land is fertile to grow all highland trees.

### Petty production

There is no as such petty production in the community, but there is petty trade.

### Service enterprises

There is no service enterprise in the community.

### Food-processing services

There is no food processing enterprise, but there is one bread bakery in the kebele. The bread is prepared from local resources.

### Hospitality services

There are two very small scale restaurants in the kebele. They are not as such competent suppliers. They stop to supply when the market is inactive during non-coffee seasons. The business is owned by family members and the labour is also family based. Two or three household members may involve in restaurant selling on market days. Otherwise, the household wife can manage it.

### Health services

There is no private or traditional health service in the community.

### Shops

There are five small Kiosks in the kebele. These shops buy shopping items like soap, biscuits, etc. from Dilla market and retail in Adado kebele. In the year 2003, there were only three kiosks.

### Leisure services

There is no single leisure service in the kebele. However, there are two entertainment houses that show football, domestic films and other shows. There is no other leisure service in the community.

### Petty services

There are approximately 8 shoe-shining and repair boys in the kebele. All kiosks mentioned above render mobile phone charging. There are six second hand cloth sellers and two second hand shoe sellers. In market days in Adado, there are two persons working male barbery.

### Transport services

In the community, mule, horse, and motor bicycle are common transportation means. Approximately 5 youth from the community are renting motor bicycles (there may be more giving transport services to community people when they come back from the outside). More than 40 mules and horses are there in the community. It is owned by households. Carts are not common since the road is not appropriate to use them. Car transport is not common except for occasional transportation of coffee to Dilla during harvesting season. Sometimes, traders transport trees from the kebele to other places with car transport. Shopping items are sometimes brought from Dilla to Adado. Donkeys are similarly used as mule/horse in the community.

There is no other transportation means in the community.

## Government support for non-farm activities

Respondents reported that there is no special government support to non-farm business in the community. There are no non-farm activities related intervention. However, those youth renting motor bicycle are asked to hold a driving license. In the kebele the electricity is well connected. All the urban areas and part of the rural areas use electricity. They most use it for light, charging mobile telephone, power radios and televisions. A few urban dwellers also use it for energy to cook food.

However, there is no active involvement of government to support non-farm business activities in the community. And there is no single NGO or CBO working on this aspect. Recently, AGP is approaching to introduce some non-farm businesses.

## Non-farm employment

Approximately 200 individuals are estimated to be public workers from the community. Most of them work as experts in Bule Woreda office such agriculture, health, and finance offices. Around 250 individuals are employed further away from the community. There is no NGO in the community or in the Woreda. There is no industry employing in the community of in the woreda except the coffee washing machine. It hires more than 50 women and youth male during coffee harvesting seasons. There are 10 persons employed as guards and as nursery site workers. Guards take care of public offices in the kebele such as school, health centre, agriculture office, kebele office and Union office. Nursery workers produce seedlings of coffee and other important trees to be distributed to the community. In the community, traders are many. Approximately 200 people are involved in trading of coffee, livestock and its products, shopping, restaurants, carpentry and blacksmith products. There are also approximately 10 domestic servants in the community. They support household works and business activities in restaurants and tea and bread selling shops.

The kebele is potentially good to provide casual non-farm works such as coffee harvesting, preparing wood for house constructions, etc. Women in the community involve in enset processing activities.

## Research Officer Additions

Input for skilled work

Bamboo tree is growing well in the community. Some community members have good practice of preparing chairs, fencing, house walls and floor making, etc.

### Skilled work

There are skilled persons preparing bee hives from local woods. These are similar to the ones provided by agriculture office. They sell for 50-80 ETB depending on the size and quality. Since the community is better for honey production, it is good to promote this kind of local production.

### Youth business potentials

The youth can do many non-farm business activities such as renting table tennis, play stations, video watching, wood works and metal workshops. However, there is no initiation.