



SCOPEinsight

SCOPE Pro[®] Assessment Profile

Ediget Farmers Cooperative Union

Assessment date: April 4, 2017

Total score:

3.7

This assessment was conducted by an in-house assessor of Self Help Africa. In-house assessors have been trained and accredited by SCOPEinsight or one of its trainer partners.

Any views or comments presented in this report are solely those of the assessor and do not necessarily represent those of SCOPEinsight.



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About the SCOPE Pro Profile

Theory of assessment

An important barrier for access to finance and access to markets for farmer organizations is the lack of information and transparency. Financial institutions, insurers, input suppliers, traders, capacity builders and many other organizations need credible information in order to assess market and business opportunities. Insight in the organizational performance enables them to assess creditworthiness, professionalism and reliability of the farmer organization. SCOPEinsight assesses the organizational performance of a farmer organization using the methodology called SCOPE: SCoring Organizational PEformance. The SCOPE scores management maturity of a farmer organization.

Scoring system

The SCOPE Pro has a scoring system from 1 to 5, 1 being the lowest and 5 being the highest score.

Score P1	very immature organization	N/A	Not available
Score P2	immature organization	N/R	Not relevant (not applicable)
Score P3	maturing organization		
Score P4	professional organization		
Score P5	very professional organization		

Note: although the scale is the same, a SCOPE Basic score is not the same as a SCOPE Pro score. The Pro methodology assumes a higher level of professionalism. The Basic scores are B1 - B5. The Basic methodology is aligned with the Pro methodology on dimensions in order to facilitate graduation to the Pro level.

Assessment process

SCOPEinsight works with certified assessors to ensure objective assessments. Assessors have extensive experience in the relevant sectors, speak the local language, and understand the local context. Each assessor is trained and certified by SCOPEinsight and is held to the SCOPEinsight Assessment Protocol and Code of Conduct. Assessment results are monitored and controlled by SCOPEinsight according to its quality standards.

General assessment: an assessor visits the PO for 1-2 days for detailed interviews with the PO executives and non-executive. Further, a desk study and documentation review is conducted. Assessment results are based purely on data and information provided by the PO. Validation is done using supporting documentation. In principle no third parties are consulted during the assessment process for validation of data or information.

Financial assessment: an accountant performs a desk study of the financial statements and related documents, including an analysis of the statements, figures and ratios. Again, results are based purely on data and information provided by the PO. PO statements are translated into the IFRS (International Standard Reporting Format) by the accountant for comparability purposes.

Profile & Assessment Report

This Profile is mainly aimed at financial institutions and value chain players as input for business decisions and pipeline building. The PO receives this Profile as well as an Assessment Report which focuses more on (self-) improvement and strengths & weaknesses analysis. Both are based on the same assessment and data.

Contact

contact@scopeinsight.com – www.scopeinsight.com

SCOPEinsight does not involve itself in financing or capacity building Producer Organizations or SMEs, in order to ensure impartial and independent assessments.

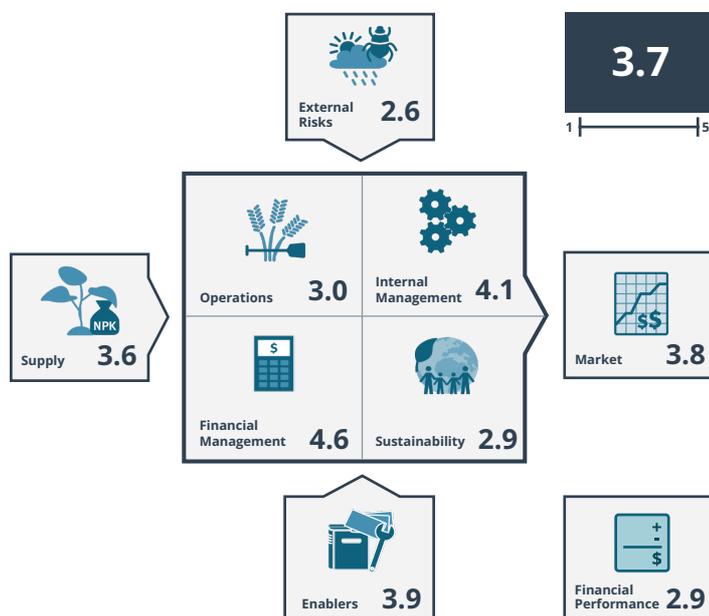
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Organizational details

Ediget Farmers Cooperative Union

Location	Organizational information	
Buta Jira Ethiopia	Legal status	Union
	Number of members	1189
	Products	wheat
Activities	General information	
environmental services input supply marketing plantation management processing	Assessors	Ayalew Abebe
	Assessment date	April 4, 2017
Observations on assessment process		
<p>The SCOPEInsight PRO Assessment of Ediget Farmers Cooperative Union was funded by Gorta- Self Help Africa, an Irish International NGO. The assessment was supported by development organization called Self Help Africa. Since the client SHA and the assessor were in touch with the Union ahead, all key actors were involved in giving their opinion in relation to the questions included SCOPE PRO tool. Accordingly, the assessor has met three member of the management and one board member. The opinion other three board member were captured using phone calls. The assessor has also physically visited warehouses and the way seeds are stored. All important documents such as three-year business plan, certificates, bylaws and three years audited financial documents were collected.</p>		
Representatives		
<ol style="list-style-type: none"> 1. Mr. Shefa Denu Secretary of the Board of the Union 2. Tesema Alemayehu; General Manager of the Union 3. Dejenie, Head of Finance 4. Biniam Birhanu, Head of Production and Marketing 		

Chapter 1: Assessment results



Total		3.7	Your scores per dimension	
Dimension	Score	Dimension	Score	
Internal Management	4.1	External Risks	2.6	
Governance	4.4	Management of biological and weather-related risks	2.6	
Internal organisation	3.8	Enablers	3.9	
Business Planning	3.9	Capacity builders & NGO's	3.2	
Operations	3.0	Service providers	3.4	
Logistics, storage and technology	3.1	Sector organisations	5.0	
Social issues	1.4	Community	3.7	
Environmental issues	2.0	Government and regulations	4.5	
Production	3.1	Financial Management	4.6	
Processing	3.6	Financial management	4.8	
Supply	3.6	Financial planning, budgeting & sourcing	4.4	
Procurement of inputs	2.5	Record keeping & monitoring	4.6	
Inbound logistics	3.3	Sustainability	2.9	
Security of supply	4.3	Social issues	1.4	
Producer oversight & training	3.7	Environmental issues	2.0	
Financial services to members or outgrowers	4.1	Production	3.1	
Market	3.8	Farmer oversight & training	3.7	
Market related risks	3.7	Financial Performance	2.9	
Outbound logistics	4.0			
Marketing strategies	3.8			

Summary

Section	Risk areas	Strong areas
Internal Management 	<p>Even though there is close collaboration among the employees and management members, there is no clear succession plan for the management members. And some basic functions such as production and marketing are handled by one person. From the current structure, it would be difficult to replace the head of Finance. As the reward system of the Union is not associated with the performance of each employee, the Union might have the risk of losing high-performing and committed employees. The reward/bonus is distributed across the board just based on the amount of salary, meaning the performance of employees is not taken into account. The Union lacks having a long term investment plan. Even though there is a very good track record of accumulating capital, there is no investment plan. There are no clearly signed job description though the manager explains the overall role to each employee during employment. The overall performance of the Union is evaluated quarterly by the board, but there is no documented individual performance evaluation report.</p>	<p>There is positive communication and coordination between the management and employees. There is a very good practice of engaging members of the board during planning and while making key decisions. The Union regularly updates its members through reports and arranging meetings. The Union has a very good practice of keeping records. The union has managed to meet all legal compliance to operate as a certified seed producer and cooperative business. The Union has an organizational structure with all the key functions manned with competent staff such as the General Manager, Finance Head, production and marketing head, and agronomy extension experts.</p>
Operations 	<p>The storage limitation would affect the quality of the seeds that the Union is storing. Since the Union might have a limited role in maintaining the conditions of the rented warehouse, the quality of seeds would be compromised. Currently, the Union has rented in two warehouses for storing seeds. The Union didn't make a professional level assessment on the impact of its operation which would later affect its growth and its relationship with the community. The Union doesn't have adequate policy documents that govern issues related to human rights, safety, and hygiene of its employees. This would limit the professional growth of the Union.</p>	<p>The Union gives attention to controlling the quality of seeds that it is distributing. All consignments meet quality parameters and lot numbers with quality specs are tagged to the bags to give information to customers on the seed quality. The Union has three level seed quality control: 1) Use of own seed laboratory; 2) use of external certifiers, and 3) follow up the performance of seeds at field level. Particularly, the follow up at field level helps to collect the feedback about the performance of seeds and hence taking corrective action. All consignments meet quality parameters and that lot numbers with quality specifications are tagged to the bags to give information to customers on the seed quality. The Union has two storage facilities with total capacity of storing 1500mt at a time; which both are audited by seed regulatory body and fulfills the requirements. The Union sources wheat and maize hybrid seed from qualified research centers [both basic and pre-basic seed] and this also further qualifies to ensure clean seed is produced. The Union has better and direct connection with farmers who engage in seed multiplication. Its agronomy experts are helping the farmers at field level. The Union has seed cleaning and sorting machine. Whenever necessary, additional cleaning will be done by hand picking. The Union applies FIFO (first- in first- out) method for lot management. It was reported that the Union normally stores and sells the seed in one year. The union runs physical inspection about grain size and grain size uniformity. They took also sample and assess the portion of the rejects and foreign maters.</p>
Supply 	<p>The Union currently doesn't have procurement manual though the bylaw of the Union has covered some basic issues related to procurement. There is no one person assigned for handling supply and procurement related activities. The General Manager mostly involves in supervising the procurement process. The Union generally pays higher prices to seed multipliers which are 10 to 15% higher than the market price. Even though this action might help the Union to attract members and minimize side selling, it would limit the growth of Union and its competition capacity. The level of seed rejection rate varies from crop to crop. For instance, the wheat seed rejection is estimated to be 10%.</p>	<p>The Union has good relationship with seed multipliers/farmers. The Union has managed to collect back most of the seeds grown by its member farmers. Only less than 5% of the farmers breached their contract of supplying the seed. Membership is increasing. Since its establishment the total size of membership (farmers) has increased from 777 to 11,189 which a staggering 14 fold growth. And most of the members have active economic participation in terms of buying inputs and seeds and selling back what they produced. The Union has developed trust-ship with Member cooperatives and farmers as quality seed and agro-chemical supplier in the area. The Union has also good relationship with both private and state seed enterprise and research centers which are regularly supplying basic and pre-basic seed. The Union is becoming popular in seed production (through members) and distribution at the regional level. The Union has been awarded certificate by the regional government in recognition to its role in seed quality and efficient distribution throughout the region. The Union is working in different seeds, mainly cereals and legumes, which is important for risk diversification and crop rotation.</p>

Market



There could be risk associated with the failure of new seeds caused by weather changes or the quality of the seed. There is competition in the production and distribution of wheat seeds from the commercial market. Sometimes farmers sell the seed as food grain. The Union relies on government structures in distributing seeds, particularly to those areas or districts where the union doesn't have member cooperatives. There is one seed cooperative union working the same area. However, their target is horticulture seeds. There are few private maize and wheat seed supplier in the region as well. The office of agriculture and natural resource management at district level (government office) is distributing seeds and collects the money. Hence, the Union lack direct contact with farmers; and changes of policies in relation to the role of government in distributing seeds would affect the performance of the Union. Hence, the Union might not control over the storage and distribution of seeds, which could consequently affect the quality of the seed.

The Union is becoming popular in seed production (through members) and distribution at the regional level. The Union has been awarded certificate by the regional government in recognition to its role in seed quality and efficient distribution throughout the region. The Union is working in different seeds, mainly cereals and legumes, which is important for risk diversification and crop rotation. The Union manager believes that the market for most of the cereals' seed is growing. As the Union has better connection with the farmers who have the land for multiplication and the know-how, the Union will be competent in the years to come. However, it was also reported that there is limitation for research centers in supplying new or improved seeds such as seed for faba bean and for teff.

External Risks



The performance of the seeds that the Union is distributing is dependent on the amount and uniformity of rain the area gets in a particular season. Hence, there is risk associated with the weather condition. The Union has limitations of using technologies for collecting and distributing weather related information to farmers in real time way. The Union has limited practice and capacity in investing on research and development. The Union has also limited land for demonstrating new seed production and conducting adaption research.

The Union has close collaboration with government and other development partners working in the region. The Union is aware of some risks associated with change in weather conditions. The business plan of the Union fairly discusses about the possible threats posed by and opportunities presented by the external environment. The distribution of seeds through government structure and direct distribution varies from seed to seed. It was estimated that more than 40% of the seed is distributed through direct distribution.

Enablers



The Union has limited budget on staff development. Mostly, the staffs of the Union receive training based on the fund coming from donors. Even though the Union has been matching up some amount of money, some of the fixed assets such as the warehouses are financed by donors. The Union has no regular supplier of IT services and products. It has made very limited investment on IT infrastructure and services which would limit its efficiency and effectiveness at office. The Union didn't make significant financial contribution towards community development, which in the future would compromise its acceptability by and visibility in the community.

The Union has very good relationship with development organizations and different government departments and agencies. The Union has able to attract development organizations to fund for soft and hardware developments. The Union has managed to get financed about three of its grain stores. Its capacity to keep sound financial records and invest the money for the intended purpose has helped the union to win the attention of donors and NGOs. The Union has also good relationship with financial institutions such as banks and microfinance. The regional government has issued letter of guarantee to financiers as it has confidence on the capacity of the Union in paying back its loan as per the terms set by the creditors.

Financial Management



The Union was not using accounting software other than Microsoft Excel though currently it is in the process of using Peachtree accounting software. However, Peachtree accounting training is not update software; and the staffs didn't receive training about the application of this software. Almost all of the accounting cycle is managed by one person, the head of the accounting. There is only one cashier though the general manager involves checking payments, reviewing plans and reports. The Union does not have separate financial management manual. The reserve fund is not saved in separate account hence it would be for the normal operation. Hence, the reserve fund might serve the purpose.

The Union has relatively organized record keeping system though it is prepare based. The head of the finance know the whole accounting cycle. He is on top of the all figures and documents. The financial statements of the Union has been audited every year by external auditors. And the comments from the external auditors were positive. The Union has good track record with its credit worthiness. It has never been defaulted nor postponed payments.

Sustainability



The Union needs to be more competitive in attracting and keeping key employees. Currently, the Union has motivated employees. However, the level of benefits and salary does not seem competitive. Apart from it's the direct technical support and market linkages it creating to member farmers, the Union has limited role in terms of financing community initiatives. And the Union need to have long plans that shall specifically indicate the strategic crops to focus. Having own demonstration plots will help the Union to properly test really new seeds. The Unions needs to invest in upgrading its financial recording and report system (to software based accounting system)

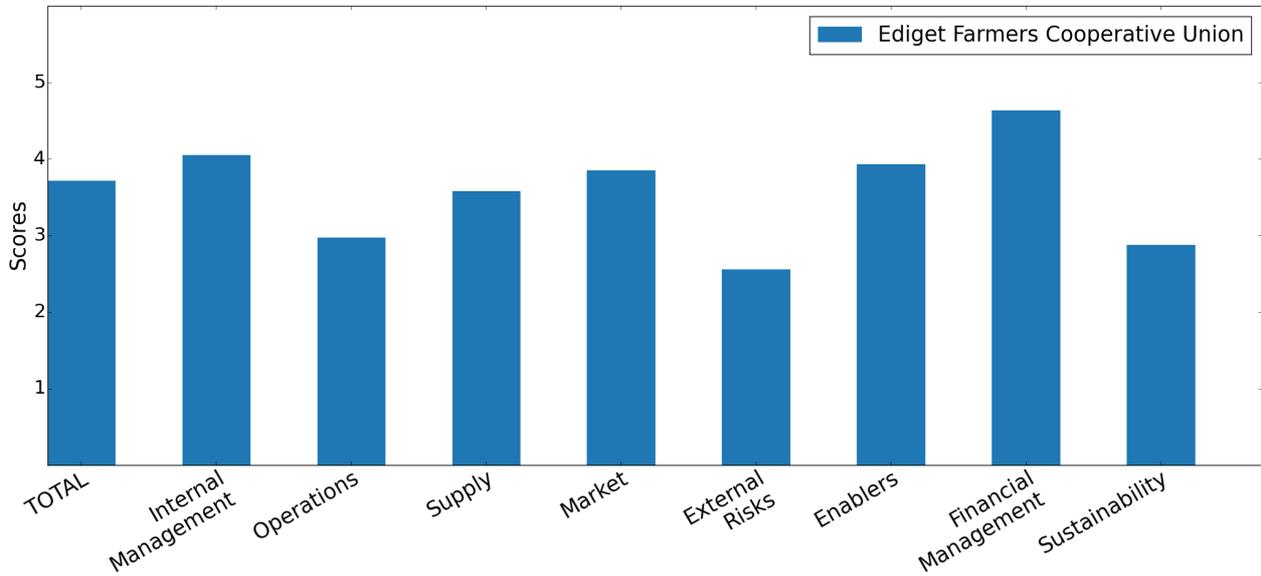
The Union has a positive and constructive relationship with different stakeholders such as government structures, government agencies, and development organizations. The management of the Union has also a collaborative and constructive relationship with the board of directors.

Benchmarking

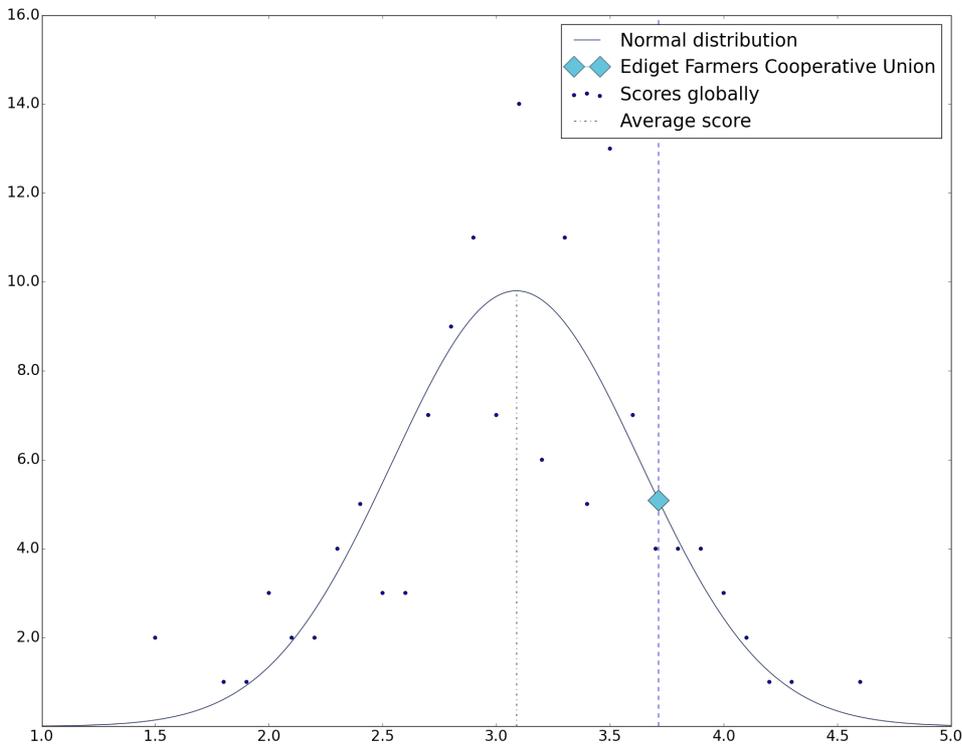
This page shows you benchmarking information of the assessment with other assessment data from the SCOPEinsight assessment database.

Scores over time

Take regular assessments and you can see your progress over time.



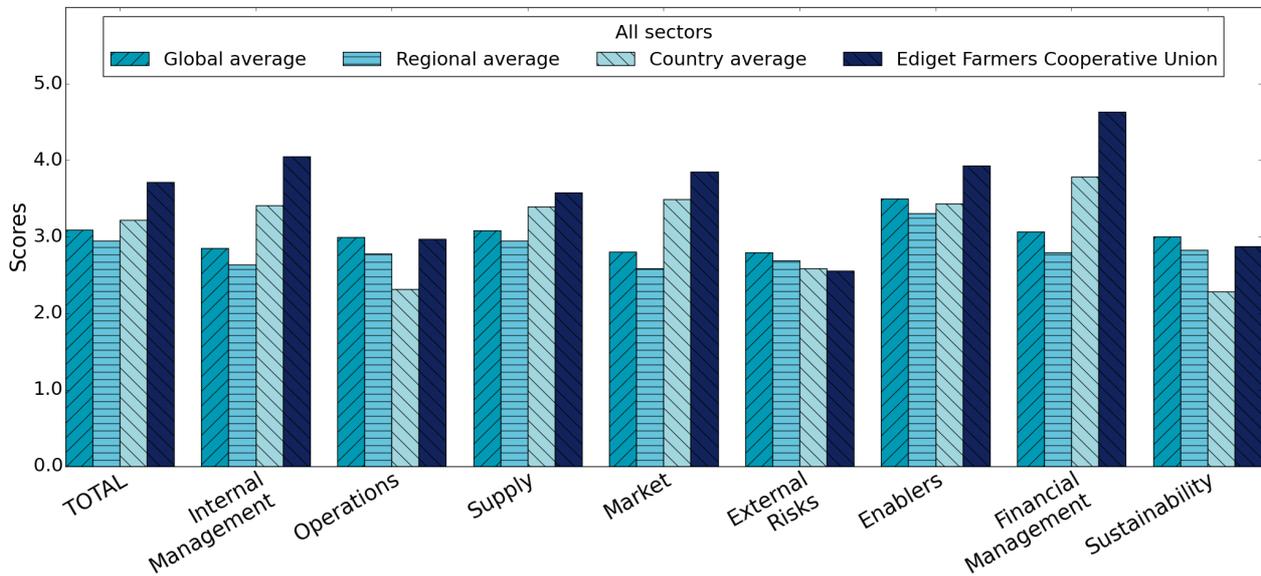
Where am I



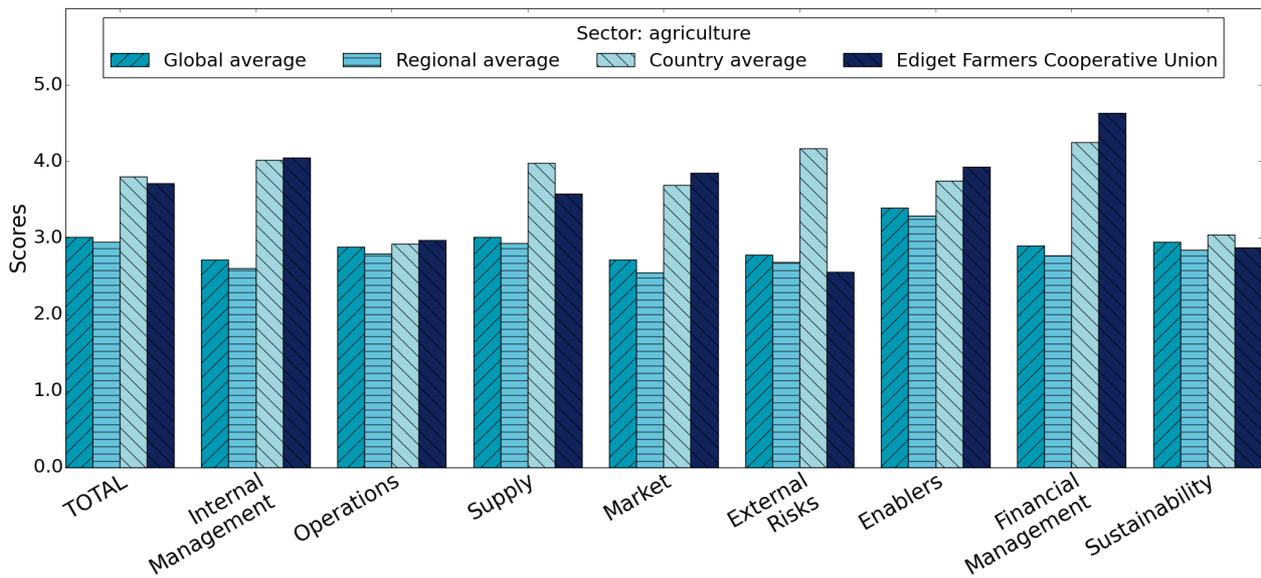
3.7 The total score of 3.7 for your organization is 0.6 points different from the average score of 3.1 for all assessed organizations globally.

88% Your organization scores equally or higher than 88% of all assessed organizations.

All Sectors Benchmark



Same Sector Benchmark



Chapter 2: Organization characteristics

Basic & contact details		Sectors & products	
Name	Ediget Farmers Cooperative Union	agriculture	
Abbreviation	EFSMMCU	wheat	
Street		Activities	
Street no.		environmental services, input supply, marketing, plantation management, processing	
Zipcode		Board and management	
City	Buta Jira	No. of female managers	0
Region	SNNPR	No. of male managers	3
Country	Ethiopia	No. of female board members	0
Global region	East Africa	No. of male board members	10
GPS location		Employees	
Office phone number	+251461151071	No. of female full-time employees	1
Email address	edigetunion@gmail.com	No. of male full-time employees	12
Website	www.edigetspmcu.com	No. of female part-time employees	0
Incorporation		No. of male part-time employees	0
Legal status	Union	No. of female seasonal employees	7
(specify if necessary)	The Union is owned by 19 primary cooperatives.	No. of male seasonal employees	20
Year of incorporation	2009	Outgrowers	
In operation since	2009	No. of female outgrowers	125
Business license number	Agro input producer and dealer	No. of male outgrowers	1064
Tax identification number	0042307038	No. of active female outgrowers	120
Umbrella / Representing Organization		No. of active male outgrowers	960
Cooperative		Infrastructure information (main location)	
Union		Access roads	Tarmac (average quality)
Federation		Distance to hub	100 - 200 km
Apex Organization		Public transportation	Available in vicinity
SACCO		Power / electricity	Stable with generator backup
Other		Internet access	Mobile only
Members (direct members of PO + indirect via subsidiary)		Mobile network coverage	Broad coverage
No. of female members	125	Running water	Running water
No. of male members	1064		
No. of <u>active</u> female members	125		
No. of <u>active</u> male members	1064		
No. of member cooperatives	19		
No. of member unions	0		
Sharecroppers			
No. of female sharecroppers	0		
No. of male sharecroppers	0		
No. of active female sharecroppers	0		
No. of active male sharecroppers	0		
Services offered			
advocacy, collective equipment use, collective input purchase, collective marketing, collective production, financial services, information sharing, storage, training			
Mission			
Support member cooperatives for sustainable quality seed production.			
Vision			
To see self-sustained cooperative based seed system which have significant role in attaining the regional seed security.			

Governance

Management Team

Name	Function	Gender	Years in Function	Years in Organization	Years in Sector	Year of Birth	End of Term	Shareholder of Organization	Qualifications
Tesema Alemayehu	General Manager	m	22	5	8	1969	10-2017	No	BSC Plant Science
Dejene Tesema	Finance Head	m	8	2	8	1985	10-2017	No	Diploma in Cooperative Accounting, Studying BA in Accounting, will be finished in one year
Biniam Brihanu	Production and marketing head	m	10	5	5	1981	10-2017	No	BSc, plant Science from Haramaya University

Board of Directors

Name	Function	Gender	Years in Function	Years in Organization	Years in Sector	Year of Birth	End of Term	Shareholder of Organization	Qualifications
Shenta Denu	Director of the Board	m	6	6	25	1965	05-2017	Yes	Grade 4 complete
Assefa Birhanu	Deputy Director of the board	m	3	3	20	1969	05-2017	Yes	Grade 8 complete
Dange Alie	Head of Control Committee	m	3	3	30	1962	04-2017		Grade 4 complete
Dange Alie	Head of Control Committee	m	3	3	30	1962	04-2017		Grade 4 complete
Shefa Dergeba	Secretary	m	3	3	40	1960	05-2017	Yes	Grade 6 complete

Governance Structure

	Present	Number of People	Description
Annual general meeting	Yes	57	AGM is consists of representatives from all member cooperatives. Each member cooperatives is represented by three participants.
Management team	Yes	3	The management team consists the general manager, head of Accounting, Head of Procurement and Head of human resource management
Supervisory board	Yes	3	The board is known as control committee

Value Chain & Enabling Players

Clients

Name	Mareko District of Agriculture	Sodo District Office Agriculture	Sankura district Office of Agriculture	Dalucha District Office agriculture
Relation	Marketing agent	Marketing agent	Marketing agent	Marketing agent
Organizational type	Govt. body	Govt. body	Govt. body	Govt. body
Description of relation	The office collects and distributes seeds and other agricultural inputs to smallholders. The district is within the operation area of the Union. In other words, the Union has also member cooperative within the district.	The district office collects seeds and other agri inputs; and distribute to different Kebeles (lowest unit of administration).	The Office distributes seeds and other agricultural inputs to smallholders in the district.	The office collects the seeds from the Union and distributes to farmers in the district. The district is outside of the operation area of the Union; meaning the Union doesn't have member cooperative; rather it is distributing through government office.
Years in relation	7.0	7.0	7.0	3.0
Contract in place	Yes	Yes	Yes	Yes
Contract start year	2010	2010	2010	2014
Contract end year	2017	2017	2017	2017
Description of agreement	There is agreement			
% sold	15.00	25.00	11.00	18.00
Contact	Abdi Sheleko	Belayneh		Mekonnnon
Email address				
Phone number	+251 913865795	251 912247020		

Service providers and Supporting organizations

Name	Agricultural Transformation Agency (ATA)	Self Help Africa	ACDI/VOCA
Relation	Capacity builder	Donor	Capacity builder
Organizational type	Govt. body	NGO	NGO
Description of relation	The Agency provided training on seed cleaning and seed quality management.	The NGO has been supporting the Union right from the foundation; It provided financial support for constructing warehouse and office building.	ACDI/VOCA assisted the Union while building a warehouse. The donor paid 70% of cost of constructing 150 ton capacity warehouses. Grant was also given to buy pre-basic seed for multiplication.
Years in relation	3.0	7.0	2.0
Contract in place	No	No	No
Contract start year	-	-	-
Contract end year	-	-	-
Description of agreement			
% sold	0.00	None	None
Contact	Mersha	Wondwossen Tamrat	Belete
Email address		wtamrat@gmail.com	
Phone number	+251 911922877	+251 911648266	



Financial Performance

Financial ratios

Metric	2016	2015	2014	Status	Trend	Volatility	Total score
Growth							1.0
Revenue growth (%)	21.6	21.8		1.0			1.0
Net profit growth (%)	-32.8	67.7		1.0			1.0
Profitability							4.9
Gross margin (%)	21.6	27.0	25.0	5.0	5.0	5.0	5.0
Operating profit margin (%)	18.7	18.3	18.1	5.0	5.0	5.0	5.0
Net profit margin (%)	8.0	14.6	10.6	5.0	5.0	5.0	5.0
Return on equity (ROE) (%)	8.9	20.4	16.4	5.0	5.0	5.0	5.0
Return on assets (ROA) (%)	7.7	18.7	21.1	4.0	5.0	5.0	4.5
Productivity							1.8
Asset turnover	0.5	1.3	1.4	1.0	2.0	2.0	1.5
Working capital turnover	2.6	2.5	4.4	2.0	2.0	2.0	2.0
Solvency & gearing							3.0
Debt-to-assets ratio (%)	50.5	8.5	10.4	2.0	4.0	4.0	3.0
Debt-to-equity ratio (%)	102.2	9.3	11.6	1.0	4.0	4.0	2.5
Debt coverage ratio (%)	657.7	45.5	49.2	1.0	5.0	5.0	3.0
Debt servicing	3.1	-	3.9	4.0	1.0	5.0	3.5
Liquidity							4.2
Current ratio	1.4	7.4	7.1	3.0	5.0	5.0	4.0
Quick ratio	1.4	7.4	7.0	4.0	5.0	5.0	4.5
Working capital management							3.0
Days inventory outstanding	4.0	3.0		5.0	5.0	1.0	4.0
Days sales outstanding	62.0	56.0		2.0	3.0	1.0	2.0
Financial Performance score: 2.9							

Comments by accountant

As much as the profitability is excellent, the rate of growth is constant. This means on average the same amount of returns for the last 3 years. There is minimal usage of the available assets thus very low productivity. The organisation's cash-flow is sound thus excellent liquidity and solvency levels. This is a sign of creditworthiness.

A mean score of 2.9 is 58%. This is an above average score on financial performance. There is room for improvement on the usage of available resources.

Explanation of Ratios			
Operating profit margin	EBITDA / Sales	Debt-to-equity ratio	Total debt / Equity
Net profit margin	Net income / Sales	Debt to EBITDA ratio	Total debt / EBIT
Gross Margin	Gross profit / Sales	Interest coverage ratio	EBITDA / Interest payments
Return on equity (ROE)	Net income / Equity	Current ratio	Current assets / current liabilities
Return on assets (ROA)	Net income / Total assets	Quick ratio	(Cash + marketable securities + receivables) / Current liabilities
Asset turnover	Sales / Total assets	Days inventory outstanding	(Average Inventory / Cost of sales) x360
Working capital turnover	Sales / Net working capital	Days sales outstanding	(Average Receivables / Cost of sales) x360
Debt-to-assets ratio	Total debt / Total assets		

Financial Information

Bank Accounts

Bank	Type	Active since	Current balance
Commercial Bank of Ethiopia	Bank	2017	ETB 725,500.00

Collateral

Type	Description	Age	Estimated Value	External valuation done?	External valuation by	Valuation proof available?
Securities	Regional bureau of Agriculture gave letter of guarantee to the bank.	1	ETB 16,000,000.00	No		No

Loan Requirements

Loan amount	Duration (months)	Expected Interest rate (annual)	Purpose	Description	Comment
ETB 16,000,000.00	12	7.50	Trade finance	The finance was used for buying seeds from research centers. It short term finance secured as per the letter of guarantee written by the regional government.	The loan is one year; and 50% of the is already paid back to the bank.

Loan Applications

Loan amount	Duration (months)	Potential financier	Purpose	Status	Comment
No information available.					

Loan history

Loan amount	Financier	Start date	End date	Interest rate (annual)	Repayment status	Purpose	Comment
ETB 16,000,000.00	Bank	Nov. 30, 2015	Oct. 30, 2017	7.50	Repaying	Trade finance	The money was used for buying seeds; 50 % of the loan is paid back; the payment schedule is as per the original repayment schedule.
ETB 10,000,000.00	MFI	Oct. 14, 2014	Nov. 13, 2015	10.00	Fully reimbursed	Trade finance	The loan was used to finance purchase of different agriculture inputs. The money was sourced from Omo MFI.
ETB 10,000,000.00	MFI	Oct. 2, 2012	Nov. 5, 2012	10.00	Fully reimbursed	Trade finance	The money was used for financing procurement of agri cultural inputs.

Grant history

Grant amount	In cash / in kind	Funder	Funder type	Start date	Purpose	Comment
ETB 2,717,442.00	In kind	ACDI/VOCA	NGO	June 15, 2015	Warehouse	The warehouse has a capacity of storing 1500 tons of grain. 70% of the cost was covered by the donor while the balance was covered by the Union.
ETB 9,823.00	In kind	Self Help Africa	NGO	April 15, 2016	Purchase of Maize seed	
ETB 848,140.00	In kind	Self Help Africa	NGO	Sept. 12, 2016	Pruchasing Tractor	70% of the value of the tractor was from the donor while the balance was covered by the Union.
ETB 333,450.00	In kind	Self Help Africa	NGO	Dec. 15, 2016	Office construction	
ETB 413,881.00	In cash	Self Help Africa	NGO	June 24, 2016	Purcahes of wheat seed	
ETB 9,823.00	In cash	Self Help Africa	NGO	April 20, 2016	Purchasing maize seed	The seed was purchased from research centers.
ETB 2,717,442.00	In kind	ACDI/VOCA	NGO	June 30, 2016	Constructing Warehouse	The fund was used to construct a warehouse. 30% of the fund was matched by the Union.

Insurance

Type	Company	Policy effective date	Policy end date	Indemnity limit	Comment
Accident Insurance	Nile	Oct. 10, 2016	Oct. 10, 2017	2451612.00	The union has entered into insurance agreement for its truck.
Third party insurance	Nile	March 7, 2017	March 7, 2018	291225.00	

Shareholders

Name	Relation	% shares	Shareholder since
Ediget and Gefersa	Shareholder	14.00 %	2009
Lokie sojat	Shareholder	13.00 %	2009
Ediget and Gefersa	Member coop	14.00 %	2009
Lokie sojat	Member cooperative	13.00 %	2009
Zagnat	Member coop	12.00 %	2009
Doban and Tomoga	Member Coop	12.00 %	2009

Name of Auditing Firm

SNNPRS Regional Market and Cooperative Bureau

Comment

By law cooperative unions need to get audited their financial statements by external auditors. Ediget Union is regularly audited by regional auditors. The audit statement covers all basic information related to its balance sheet and incomes.

Profit & Loss statement

Currency: ETB

End of Book Year: -

Profit & Loss statement	2016	2015	2014
Sales			
Direct sales	19,364,232	15,921,303	13,069,636
Indirect sales	0	0	0
Total sales	19,364,232	15,921,303	13,069,636
Cost of sales			
Cost of goods sold	15,176,589	11,616,231	9,804,858
Total cost of sales	15,176,589	11,616,231	9,804,858
Gross profit	4,187,643	4,305,072	3,264,778
Selling, general and administrative expense			
Administration Expense	1,448,445	1,073,309	641,033
Finance expense	0	330	0
Sales Expense	478,429	1,014,961	800,743
Other income	1,369,579	699,280	537,593
EBITDA	3,630,348	2,915,752	2,360,595
Depreciation & amortization	909,634	595,737	379,269
EBIT	2,720,714	2,320,015	1,981,326
Interest expense	1,162,302	0	597,629
Income tax expense	0	0	0
Income from continuing operations	1,558,412	2,320,015	1,383,697
Earnings (losses) from discontinued operations (net of tax)	-	-	-
Net profit	1,558,412	2,320,015	1,383,697
Are accounts audited?	No	No	No

Accountant comments on Profit & Loss

The depreciation cost included in the administration cost, which shouldn't be. The finance head of the Union said that the depreciation should be put in separate line. It is the external auditors who added the depreciation as part of the administration cost.

Balancesheet

Currency: ETB

End of Book Year: -

Assets	2016	2015	2014
Current assets			
Cash and cash equivalents	22,566,871	4,128,610	4,915,406
Account receivables	2,902,389	3,628,183	1,221,970
Other receivables	0	0	0
Inventories	245,541	81,789	80,184
Other current assets	0	0	700,000
Total current assets	25,714,801	7,838,582	6,917,560
Non-current assets			
Fixed assets	9,572,890	4,500,604	2,472,430
Intangible assets	0	0	0
Goodwill	0	0	0
Other non-current assets	117,672	76,000	6,000
Total non-current assets	9,690,562	4,576,604	2,478,430
Total assets	35,405,363	12,415,186	9,395,990
Liabilities	2016	2015	2014
Current liabilities			
Accounts payable	0	0	0
Short term loans	17,833,874	1,055,095	974,482
Overdrafts	0	0	0
Income tax payable	0	0	0
Short term provisions	0	0	0
Other current liabilities	0	0	0
Total current liabilities	17,833,874	1,055,095	974,482
Non current liabilities			
Long term loans	59,625	0	0
Deferred tax	0	0	0
Provisions	0	0	0
Other non-current liabilities	0	0	0
Total non-current liabilities	59,625	-	-
Total liabilities	17,893,499	1,055,095	974,482
NET ASSETS	17,511,864	11,360,091	8,421,508
Equity	2016	2015	2014
Share capital	1,575,000	375,000	299,000
Share premium	0	0	0
Retained earnings	1,090,889	2,320,015	581,810
Grants (seed capital)	7,360,557	2,441,944	2,418,445
Statutory / legal reserves	1,370,740	207,212	207,212
Other reserves	0	0	0
Other	6,114,678	6,015,921	4,915,041
Total equity	17,511,864	11,360,092	8,421,508

Working capital & inventory	2016	2015	2014
Net working capital throughout the year	7,332,207	6,363,283	
Average inventory throughout the year	163,665	80,987	
Average receivable throughout the year	3,265,286	2,425,077	

Accountant comments on Balance Sheet

The balance sheet is prepared as per the national financial reporting standard.

Cash flow statement

Currency: ETB

End of Book Year: -

Cashflow statement	2016	2015	2014
Cash flow from operating activities			
Net income	-	-	-
Adjustment for tax	-	-	-
Adjustments for non-cash items			
Depreciation & amortization	-	-	-
Investment income	-	-	-
Interest expense	-	-	-
Profit / (loss) on sale of PP&E	-	-	-
Working capital changes	-	-	-
(Increase)/decrease in trade and other receivables	-	-	-
(Increase)/decrease in inventories	-	-	-
increase/(decrease) in trade payables and other payables	-	-	-
Cash generated from operations	-	-	-
Interest paid	-	-	-
Income taxes paid	-	-	-
NET CASH FROM OPERATING ACTIVITIES	-	-	-
Cash flows from investing activities			
Purchases of property, plant and equipment (PPE)	-	-	-
Proceed from sale of PPE	-	-	-
Purchases of intangible assets	-	-	-
Purchases of financial assets	-	-	-
Loans granted to associates or subsidiaries	-	-	-
Loan repayments received from associates or subsidiaries	-	-	-
Interest received	-	-	-
Dividends received	-	-	-
Other	-	-	-
Net cash used in investing activities	-	-	-
Cash flows from financing activities			
Proceeds from sale of ordinary shares	-	-	-
Purchase of treasury shares	-	-	-
Proceeds from borrowings	-	-	-
Repayments from borrowings	-	-	-
Proceeds from loan from subsidiary undertaking	-	-	-
Dividends paid to organizations shareholders	-	-	-
Other	-	-	-
Net cash used in financing activities	-	-	-
NET CASH FLOW	-	-	-
Cash at beginning of period	-	-	-

Cashflow statement	2016	2015	2014
Cash at end of period	-	-	-

Accountant comments on Cash Flow Statement

Production Information

wheat

Product information			
Type	Wheat bread	No. harvest cycles per year	1
Quality	Basic and certified	Operational months	June
Land used for product	1500.00	Irrigated (%)	10.00
Land unit	hectare	Certification(s)	
No. of production units	1	Estimated % of member/outgrower production sold to the assessed organization	80.00
Production unit	Other		
Avg. age production unit (years)*	1.00		
Avg. production unit lifetime (years)*	1.00		
Dead / Diseased production units*	10.00		

* e.g. if product is coffee, production-unit is tree; if product is milk, production unit is head.

Produce purchased

Year	Unit	Volume	Price
2015	quintal	10,639.99	Br1,025.00
2016	quintal	10,804.21	Br1,060.00
2014	quintal	9,850.95	Br995.00

Volumes purchased by the producer organization from it's members and / or outgrowers

Production figures

Year	Unit	Volume
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No information available.

Volumes actually produced by the producer organization as part of their core-business

Produce sold

Year	Unit	Volume	Price	Gross margin (%)	Percent certified	Percent exported
2014	quintal	9,850.95	Br736.00	74.00	100.00	0.00
2015	quintal	10,639.99	Br769.00	75.00	100.00	0.00
2016	quintal	10,639.99	Br795.00	75.00	100.00	0.00

Volumes sold a buyer / offtaker (of produced and/or purchased). Including inputs sold to members/outgrowers if relevant.

Inputs purchased

Year	Name	Unit	Volume	Price	Percent certified
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No information available.

Monthly Production

Activity Timeline

Activity	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
maize seed cleaning	X	X										
wheat seed cleaning		X	X	X	X							
teff seed cleaning				X	X							
bean		X	X	X								
seed quality checking- wheat										X	X	
quality checking- maize										X	X	
teff seed quality checking at farm												X
beans seed quality checking at field										X	X	
selling of maize seed- distribution (agent of pioneer)				X	X							

Timeline of activities that are most significant to the business and cash flow cycles of the organization

Monthly Cash Flow Projections for 2017 in ETB

Activity	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
sales of maize seed	0		457125.00	1003200.00	0	65721.00	0	0	1116.00	0		
sales of wheat seed				1177100.00	0	4742151.00	5107229.00	641406.00		1119689.00		
bean sales				0	93000.00	187178.00	57244.00	22941.00		2322.00		
teff seed						171017.00	22572.00	0	0	0		
Total Cash In	0	0	457125.00	2180300.00	93000.00	5166067.00	5187045.00	664347.00	1116.00	1122011.00	0	0
Expense												
labor	43711.00	29342.00	78250.00	49501.00	106024.00	37017.00	24771.00	4089.00	1050.00	1000.00		
salary	47560.00	47560.00	47560.00	46506.00	46506.00	46506.00	46506.00	46506.00	0	81084.00		
maintenance and repair	6523.00	21559.00	2787.00	12439.00	4249.00	17713.00	2279.00	11187.00	3300.00	4610.00		
fuel	30719.00	25253.00	16000.00	26155.00	54123.00	45435.00	13442.00	4058.00	3334.00	2384.00		
per diem and allowance	14006.00	8782.00	8185.00	16299.00	43319.00	30336.00	17980.00	24056.00	5040.00	33221.00		
Total Cash Out	142519.00	132496.00	152782.00	150900.00	254221.00	177007.00	104978.00	89896.00	12724.00	122299.00	0	0
Net Cash In (Out)												
Net Cash	-142519.00	-132496.00	304343.00	2029400.00	-161221.00	4989060.00	5082067.00	574451.00	-11608.00	999712.00	0	0

Chapter 3: Documentation

Below list indicates what kind of documentation the organization has available.

Question	Availability	Verified	Comments by assessor
Certificate of registration / incorporation	yes	N/R	
Trading license	yes	N/R	
Business license	no	N/R	
Tax / PIN certificate	yes	N/R	
Constitution / Bylaws	yes	N/R	
Articles of association	yes	N/R	
Business plan	yes	N/R	
Contract with suppliers	no	N/R	
Contract with customers	no	N/R	
Contract with other business partners	no	N/R	
Annual accounts most recent year	yes	N/R	
Annual accounts most recent year -1	yes	N/R	
Annual accounts most recent year -2	yes	N/R	
Bank statements past year	yes	N/R	
Cash flow forecast	no	N/R	
Credit reference bureau report	no	N/R	
Ownership documents / titles	yes	N/R	
Asset valuation documents	no	N/R	
Offer letters of past loans / loan agreements	no	N/R	
Resolution of right to borrow	no	N/R	
Proof of certification (e.g. Fairtrade, Utz Certified, ISO, etc...)	no	N/R	
Insurance policies	yes	N/R	
List of members	yes	N/R	
List of outgrowers	no	N/R	
Resume of executive managers	yes	N/R	
AGM minutes	yes	N/R	
Register of production volumes	no	N/R	
Register of purchases/inputs	yes	N/R	
HR policy	no	N/R	
Finance policy	no	N/R	
Administrative policy	no	N/R	
Environmental Impact assessment	no	N/R	
Asset register	yes	N/R	
Depreciation policy	yes	N/R	They normally took the country's policy