

Over 38 Ethiopian horticulture growers and exporters have set up a non-profitable marketing cooperative that will replace the existing costly logistics and freight forwarding services provided by private companies.

The growers said there are only a few private companies that provide full services, from freight forwarding to agro-industrial inputs, at different price margins.

The new Ethiopian Horticulture Producers Marketing Cooperative (EHPMC) is now set to serve members of the cooperative at a minimum price.

At the moment, there is a huge demand for cargo services in the sector with only few companies giving services. Last year, two major private companies, Sher Ethiopia and Trade Path International merged to establish Flower Port Cargo Plc, a company that rented out four aircraft from Ethiopian Airlines for one year to export the flowers of the nine companies operating under Sher's umbrella. In the same year, this company charged 1.85 dollar per kilo to export Ethiopian flowers – a fee higher than that charged by foreign airlines.

The new cooperative is expected to compete with these kinds of companies for the flower transport market and other horticulture products.

Chairman of Ethiopian Horticulture Producer Exporters Association Tsegaye Abebe said the cooperative would enable growers to find an innovative way to reduce the price of freight services. "Besides, this could create a competitive atmosphere for the growers by providing freight forwarding service, agro-industrial inputs and other logistics services," said the chairman.

He added: "About two or three companies are providing the service to the sector and the establishment of this cooperative will create more choice."

In a special meeting held this week, the cooperative elected five board members Tesfaye Gebrehiwot, Negusu Gebremariam, Yonas Tsegaye, Toney Vankessel and Ronald Vijvervdrgr. Tesfaye from Tinaw Flowers Plc is to be the inaugural president.

The cooperative has also set up an auditing team of three to overview its financial position. During the meeting the members agreed to contribute their own funds as startup capital.

“But if it is necessary, the cooperative will find a way to get loan from the banks,” said the chairman of EHPEA, adding the cooperative will start to function in a “short time.”