



SUCCESS STORY

Access to Credit Helps Grow Business

Tariku Midergo Coffee Enterprise grows a business and a community with USAID assistance



Some of the 280 workers at Tariku Midergo Coffee Company.

“As much as the loan, I value the technical advice and the business network I’ve gained from meeting other borrowers in the program from different sectors,” said Tariku Midergo, an Ethiopian entrepreneur who benefited from a USAID business loan.

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Tariku Midergo started a coffee processing project with family support in 1998 near Yeragalem town in Ethiopia’s Southern Nations, Nationalities People’s (SNNP) Region. While establishing his business, Midergo heard about a new USAID-sponsored loan program and approached one of USAID’s partner banks, the Bank of Abyssinia, participating in the Development Credit Authority program, to get capital to establish and expand his business. Tariku qualified for a loan of Birr 5,000,000, approximately \$371,727 U.S. Dollars, which he used for capital investments and for operations. More than a decade later, the Tariku Midergo Coffee Company has 280 seasonal and permanent employees.

Photo: Geresu Ktiessaa USAID Ethiopia

Midergo also contributes to road maintenance that benefits his whole rural community by facilitating transportation and access to markets. In addition, he created a waste removal system to prevent run-off from his operations polluting the near-by river. Due to his demonstrated support for community development, local farmers are happy to supply raw coffee at a reasonable price and consider him a role model.

Midergo praises USAID Ethiopia’s loan guarantee program because simple and straightforward procedures make loans accessible to small entrepreneurs like him.

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Today, Midergo plans to acquire his own coffee farms to increase and ensure his supply of coffee, and then expand his processing operations to take advantage of opportunities for coffee exports under the US African Growth and Opportunities Act Program (AGOA).