1, Introduction

Agriculture is the art and science of cultivating the soil, growing crops and raising livestock. It includes the preparation of plant and animal products for people to use and their distribution to markets. Agriculture in Ethiopia is the foundation of the country’s economy, accounting for 46.3 percent of the nation’s Gross Domestic Product (GDP), 83.9 percent of exports, and 80% of the labor force. Many other economic activities depend on agriculture, including marketing, processing and export of agricultural products. Until recent years the exchange of agricultural products in Ethiopia is conducted in traditional ways. The farmers in rural areas sells what they produce to buyers in areas nearby their residence. They are obliged to sell their product on market price, not by their price to bring money to home. These buyers in turn takes the products to towns or cities and sells them with higher prices. Most of the time the intermediate sellers are more than one until the product reaches to its final purchaser. This increase in price is arbitrary, which is decided by these temporary owners of the products. As a result there will be large gap in prices when reached to utilizer and the initial price. The intermediate sellers are the beneficiary ones from such trading way. Neither the farmers and the final buyers are gaining anything from this rise. The distribution places is also decided by the intermediate sellers, which mostly crates the high supply of a certain product in one place and scarcity in another.

The Ethiopian Commodity Exchange, founded by Dr. Elleni G/Medihen , whose mission is to “bring integrity, security, and efficiency to the market, creating opportunities for unparalleled growth in the commodity sector”. The ECX is a partnership between market actors, the members of the exchange, and the Government of Ethiopia. It made a significant change in both distribution and price of products. Its main trading product was coffee. Before the ECX was established, many Ethiopian coffee producers had little to no access to sufficient credit, market information, and goods transportation among many other vital resources. For many Ethiopian farmers, coffee producers included, the ECX came as a way forward after years of struggle and hardship. The ECX has ware houses at different parts of the country. It recives the products from the farmers and checks the quality followed by rating. The farmers put the price with which they want to sell. Then it revels the prices and the quality of that cereal across the country. When the exchange took place the farmer will get his money by the next day. The buyer also gets quality products from anywhere in the country within short period of time.

Only some kinds of cereals like coffee, sesame are exchanged by EXC and there are no facilities provided to the farmers to ease their life. Our project tries to address these limitations of EXC through a web based application. We will provide a means for the farmers to trade any of their products including animals. In addition, by inviting governmental and nongovernmental enterprises and industries to be our member, we will create a way the farmer can trade fertilizers, water pumps and other farm supporting materials.

2, Statement of a problem

EXC made the framers get what they deserve from their products. Only farmers with some kinds of products got this chance to experience. The remaining ones producing other products that can’t be exchanged through EXC are still exchanging at low price their goods in order to continue supporting their home and families. Besides this the whole producing community is not getting the access to purchase materials that ease their tiresome work and increase their yield. Fertilizers, water pumps, tractors, combiners aren’t easily available to farmers.

Our website application will exchange most agricultural products as much as possible. It will change the lives of poor farmers that are not included in EXC, with their money in their account the next day after the exchange. It will also provide fertilizers, tractors and any other farmer helping materials with affordable prices within short period of time.

3, Objectives of the project

General Objectives

The main objective of the system is to design and develop web-based application that will help to change the Ethiopian Agricultural commodity exchange sector with a fair intermediary market system with proper prices and qualities for farmers and utilizers respectively. It’s a system with which farmers and utilizers sell and buy products with affordable prices.

Specific Objectives

• to enable the farmer bring what he/she produce to the ware houses and sell

• to provide buyer a quality product and farmer money on time

• to enable exchange of farming aid materials between the industry/enterprise and the farmer