

## COMPETITION AND CHALLENGES FOR COFFEE COOPERATIVES IN ETHIOPIA AT FARM LEVEL AND EXPORT LEVEL.

**PROF S.NAKKIRAN**

PROF OF COOPERATIVE MANAGEMENT,  
AMBO UNIVERSITY, AMBO,  
ETHIOPIA

---

### ABSTRACT

Ethiopia is one of the leading producers and exporters of coffee. Ethiopia is the fifth largest exporter of coffee among the coffee producing and exporting countries. Majority of the coffee producers in Ethiopia consist of small farmers and many of them depend mainly on coffee for their livelihood. In several parts of Oromiya and SNNP regions of Ethiopia, especially in Jimma and Sidamo zones, primary cooperatives and cooperative unions have been organized exclusively for the coffee producers to market and provide service and supplies to them. Present study is undertaken to know the marketing strategies followed by the cooperative unions, especially with reference to export marketing.

The study was conducted on two cooperative unions, which are better performing in export trade and were purposively selected. The sample Cooperative Unions are Oromia Coffee Farmers Cooperative Union and Yirgachefe Coffee Cooperative Union. For deeper study the most successful Cooperative Union, namely Oromia Coffee Farmers Cooperative Union and two primary cooperatives affiliated to it were selected. The major findings of the study were: In their export marketing the unions have to face stiff international competition. They are able to withstand such competition and come out successfully by means of improving the quality of coffee, going for fair trade practices and by keeping better rapport with all the stakeholders involved in export trade. Compared to private traders cooperatives are able to provide better price to the farmers. Cooperatives encourage organic coffee and go for Fair Trade. As fair trade coffee brings better price and dividend price, the primary cooperatives are educating the farmers to go for such practices continuously. To give value addition, numbers of processing activities are added by the unions. Some times when production is high, the unions are unable to procure the entire produces. During such seasons primaries sell coffee to the private merchants.

This paper is part of the study conducted during the year 2012-13

**KEY WORDS:** Small farmers, coffee export, export marketing, fair trade, fair price, value addition, competition

---