

# The Contribution of Kaffa Forest Coffee Producer Farmers' Cooperative Union to the Production of Forest Coffee in South West Ethiopia

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## Abstract

Kafa Forest Coffee Producer Farmers' Cooperative Union participates directly to sell the products in international market as result members are benefited more from the many dimension of impact of the union and it improves the life of coffee farmers and also assures the survival of cooperative in the market. Draw backs or problems seen in Kaffa Forest Coffee Producer Farmers' Cooperative Union (KFCPCU) are lack of communication among the union and members, lack of infrastructure, lack of picking and drying machine, selective picking and drying accomplished through traditional method that are not require large machine, wide spread of illegal private coffee trader, lack of transportation facility, non – continues supply of strategies function in the union, absence of sustainable motivation, training regarding to the up to date marketing system, low marketing skill and knowledge of members as well as the employee, and also lack of well-trained manpower in the field of cooperatives. Cooperatives performance is measured by performance indicators such as membership participation and membership growth, profit and dividend payment, service provided to members, training and sale and purchase of product. The achievement of a cooperative in enhancing organizational strength is one of the governing factor to ensure cooperative performance although the respondent of the union suggested that the union must interest in continue program, improving infrastructure service integrate and improve coffee production and marketing system of the union. It is good for promoting coffee worldwide and increases the country's foreign currency earning.

## Background of the Study

A visit to the country side of Ethiopia shows that the importance of coffee income to the family lively hood and the countries potential to organize cooperative is very high. It is true that agriculture is a back bone of the country's economy. So, proper utilization of these resources is very vital. Cooperatives are the important means to utilize this coffee resource. So this study focuses on the impact that the cooperative bring on the efficient utilization and production of forest coffee.

## Statement of the Problem

There had been an increased trend in coffee deliveries to the union store between 2006 and 2007, but a decline between 2008 and 2009. However, those farmers and the union leaders expressed that the quality of coffee delivered by the union member primary cooperative society has been better than what nonmembers sell for the same price in local market. The low payment of KFCPCU did not consider the quality difference and other competitors in the local market.

In addition to the above problems, the union faced weak economic participation of the member's, low awareness of members to wards business activity, lack of timely credit to primary cooperative societies and lack of design and implementation of quality control evaluation and monitoring productivity of forest coffee. Hence, this study seeks to address the problem in line with strengthen the positive impact and minimize negative impact of the union on efficient use of forest coffee production.

## Objective of the Study

### General Objective

- To investigate the contribution of kaffa forest coffee producer farmers' cooperative union to the production of forest coffee.

### Specific Objectives

- To examine processing and marketing activity of the union.
- To identify draw backs in the union coffee marketing.
- To give possible recommendation which is important for the cooperative union activity in the study area

**Significance of the study:** Cooperatives movement in our country is at lower development stage. Conducting research on the activities of cooperative society and cooperative institutions improve the development rate of the countries cooperative movement. In addition to this, this research provides basic information for the people who conduct further study in the case area (Kafa zone Bonga town).And also the study will have greater importance to indicate the strength and weakness of the union and to overcome the weakness and to improve its strength. The

finding of the study also will offer guidance for improving the current products of the union.

**Scope of the Study:** The study covered positive impacts or consequences that the farmers union brings and forest coffee production, processing and marketing. It also assessed the degree of participation of primary cooperative societies which are members of the union and involved in harvesting and marketing activity of forest coffee

#### **Methodology**

**Source of Data:** The study employed both primary and secondary data source. Primary data were generated from personal discussion with authorities of cooperatives in the study area and direct observation. Secondary data source of data were used from documents of the organization and online internet.

**Sampling Technique and Sample Size:** Out of 26 primary cooperatives, the total of 6632 members that constitute the Kaffa Forest Coffee Producer Farmers' Cooperative Union, the survey samples were drawn from four purposely selected primary cooperatives namely: Beha, Chiri, Kejaraba and Michity. The selection criteria would be based on proximity, access to transport and possibility to contact experts in the area and discussion. This researcher used a sample size to capture the view of this KFCPFCU, from 6632 members. 20 members were selected randomly for maximizing the reliability of the data. Discussion and interview was also conducted on these cooperatives.

**Method of Data Collection:** The primary data was collected through conducting personal discussion, personal interview and questionnaires. Also secondary data were collected through different techniques such as documents, reports, journals, books and unpublished articles.

**Method of data analysis and data interpretation:** To show the impact of Kaffa Forest Coffee Producer Farmers' Cooperative Union on the forest coffee production in the study area (case area), the data was analyzed by using tables and descriptions. The analyzed data was interpreted through percentages and personal judgments.

**Data Analysis and Data Interpretation:** Kafa zone is one of the few places of the country were large area of forest coffee exists. It is also the birth place of coffee most coffee coverage is organic and disease resistance varieties. As in other forest coffee areas enhancement (illegal severe) is a common problem in kafa zone. Knowing the difficulty to deal with encroaches the zonal agricultural and rural development department has come up with comprise solution to the problem by organizing forest farmers' cooperative society and forest user groups through participatory forest management system.

The kafa forest coffee union farmers gather the red coffee cherries as they ripen in the wild and bring them to their respective cooperative. The cooperative allow the coffee to dry at smatter high standard done bed so as delivers to the union for first stage processing. Up an arrival of the coffee at ware house and processing counter in Addis Ababa. The coffee quality is respected whether it can fit the export standard or not. Coffee fit for export will be further processed, again checked and are given export quality certificate before export from the union, both washed and unwashed coffees are available to see. The cooperative union is a registered society, whose membership is through primary cooperative society. At least primary societies would form a union. There are different types of cooperatives union, for instance, coffee cooperative union, dairy cooperative union, cotton cooperative union etc. however, if there is one cooperative union dealing or handling all crops, and then it is referred to as multi – purpose cooperatives. And different NGO's and OMO micro fiancé in situation share company are under takes different kinds of at utilities. This different type of association stand to overcome these individual cannot do them. The aim is to solve to promote self-reliance among member and to collectively prefect which stand and solve economic problem of the people. The function and adjective of cooperative union is facilitating the promotion of member's interest. Its main advantage over primary society is the application of the theory of economy to scale. It is in a position of going into large scale business activity, at minimum cost. The formation of cooperative union, help to accelerate development of rural environment (unpublished).

Accordingly in Ethiopia, for example there are very few cooperative unions of which, kafa forest coffee farmers' cooperative union is one of them.

The kafa forest coffee farmers' cooperative union was established in April 29, 2004 by 15 members' primary cooperatives representing 4000 farmers currently the number of cooperatives has 26 embracing 6632 farmers. The major objective of the union is to integrate and improve coffee production and marketing. Its main mission are to determine and apply the best of possible options generate the distribution of net benefits to the members. It is helping small scale coffee farmers take advantage of the fair trade coffee market. The international NGO's. FARM, AFRICA, SOS, SAHEL provides technical; and financial assistance to Kafa forest coffee farmer's cooperative union with founding to help them upgrade their offices with computers, to buy equipment, to process and transport the coffee and the cover marketing expense that will help the union sell more office.

**Coffee Production Analysis:** In Ethiopia, coffee grows almost everywhere but the major areas covered are in kafa zone, which is mother land for world coffee. The production of forest coffee in this area is dominated; and Kafa forest coffee farmer's cooperative union, unlike other union in the country, engaged in marketing of such dried forest coffee. Based on the information received from the document of kafa forest coffee farmer's cooperative union. There are 26 primary cooperative societies which are involved in the production of forest and planted coffee. The sample taken from three main coffee producing woredas namely, Gimbo, Decha, and Gewatta from 2007 -

2009.

**Table 3.7.1 coffee production in three woredas 2007 – 2009**

Woreda	Primary cooperative society	Coffee production in quintals		
		2007	2008	2009
<b>1. Gimbo</b>				
1.1	Cheraba	3727	4927	6250
1.2	Diri	2519	3346	3870
1.3	Kejaraba	2880	3746	4690
1.4	Kuti	3120	4693	5395
1.5	Medfega	2460	3283	4110
1.6	Michitti	2952	2660	3330
1.7	Yelbitto	2427	3196	4000
1.8	Zinjai	4365	5823	7285
<b>Total</b>		<b>24450</b>	<b>31674</b>	<b>38890</b>
<b>Percentage</b>		<b>32%</b>	<b>37%</b>	<b>40%</b>
<b>2. Decha</b>				
2.1	Beha	4621	3551	3551
2.2	Ufa	3551	5632	5632
2.3	Gedam	5632	620	620
2.4	Keshi	620	8928	8928
2.5	Mankira	8928	6031	6035
2.6	Gesha	6031	729	729
2.7	Chiri	792	4621	4621
<b>Total</b>		<b>30175</b>	<b>30175</b>	<b>30179</b>
<b>Percentage</b>		<b>39%</b>	<b>35%</b>	<b>35%</b>
<b>3. Gewata</b>				
3.1	Keje katta	8522	8307	1007
3.2	Koche	1757	1957	1946
3.3	Konda	1481	1843	1863
3.4	Gojeb	4929	5037	5356
3.5	Wodiyo	5960	6828	8604
<b>Total</b>		<b>22649</b>	<b>23970</b>	<b>27776</b>
<b>Percentage</b>		<b>29%</b>	<b>28%</b>	<b>29%</b>
<b>Total</b>		<b>71274</b>	<b>85859</b>	<b>96845</b>

**Source: documents of the society 2007- 2009**

The above table indicates that primary cooperative societies in Gembo woreda have produced 32% of the total coffee (24450 quintals) production of the woreda in 2007. As the same time, there is incremental for consecutive two years. Similarly Decha was the leading producing coffee in 2007 but the table shows reducing the production or delivery to the union for the same two consecutive years (2008 and 2009) this is mostly associated with the absence of profit distribution back to the farms from the union. The same to that of Gewatta was the coffee producing woreda which accounts about 28.5% of total (96845 quintals) coffee production and delivered to the union.

Woreda	Primary cooperatives	Forest	Planted	Total	Percentage
<b>1. Gimbo</b>		7191	3072	10264	33%
1.1	Cheraba	711	531	1242	
1.2	Diri	191	708	900	
1.3	Kejaraba	527	410	937	
1.4	Kuti	636	1	637	
1.5	Medfega	72	77	149	
1.6	Michitti	560	426	986	
1.7	Yelbitto	460	339	799	
1.8	Zinjai	4034	580	4614	
<b>2. Decha</b>		7294	328	7622	24%
2.1	Beha	733	210	943	
2.2	Ufa	1378	25	1403	
2.3	Gedam	149	7	156	
2.4	Keshi	2214	25	2239	
2.5	Mankira	1486	32	1517	
2.6	Gesha	184	20	204	
2.7	Chiri	1150	10	1160	
<b>3. Gewata</b>		1271	945	13418	43%
3.1	Keje katta	4322	275	4597	
3.2	Koche	803	62	865	
3.3	Konda	1409	275	1486	
3.4	Gojeb	2583	136	2719	
3.5	Wodiyo	3554	197	3751	
<b>Total 1 + 2 + 3</b>		27156	4345	31301	100%

*Source: documents of the society: 2007 – 2009*

From the above table Gewatta woreda takes the first position in the production of largest area coverage by hectare. Which accounts 13418 or 43% of the total (31304 hectare) area covered by forest and planted coffee on the study area. In similar table Gimbo and Decha were the second and third woredas that occupies 35% and 24% of the total (3104 hectare) land repetitively. In addition this table indicates that the largest coffee coverage around 27157 hectare or 86% of the total production and the rest planted coffee constitutes around 4345 (14%) of total 31304 hectare coffee coverage.

## Conclusion and Recommendation

### Conclusion

In least developing countries in general, and in Ethiopia in particular, there is evidence of cooperative renaissance. In Ethiopia, for instance, there are attempts by government and the NGO's to revitalize cooperative societies which were once made to be obliterated. The development of cooperative organization among smaller economic entries begins with primary cooperative society and developed into huge organization like union. Coffee sector is the major backbone of Ethiopia economy. It is also the main source of foreign currently. The unions' impact at the socio – economic and political values like simplification of distribution process and elimination of middle men profit from economy, increased barraging power and its commitment towards international market are analyzed in this study.

By now, Kafa Forest Coffee Producer Farmers' Cooperative Union participates directly to sell the products in international market as result members are benefited more from the many dimension of impact of the union and it improves the life of coffee farmers and also assures the survival of cooperative in the market.

Draw backs or problems seen in Kaffa Forest Coffee Producer Farmers' Cooperative Union and lack of communication among the union and members, lack of infrastructure, lack of picking and drying machine. Selective picking and drying accomplished through traditional method that are not require large machine, wide spread of illegal private coffee trader, lack of transportation facility, non – continues supply of strategies function in the union, absence of sustainable motivation, training regarding to the up to date marketing system, low marketing skill and knowledge of members as well as the employee, and also lack of well-trained manpower in the field of cooperatives.

Cooperatives performance is measured by performance indicators such as membership participation and membership growth, profit and dividend payment, service provided to members, training and sale and purchase of product. The achievement of a cooperative in enhancing organizational strength is one of the governing factor to ensure cooperative performance although the respondent of the union suggested that the union must interest in

continue program, improving infrastructure service integrate and improve coffee production and marketing system of the union. This is good for promoting coffee worldwide and increases the counties foreign currency earning.

The performance of Kaffa Forest Coffee Producer Farmers' Cooperative Union is good but the union must work hard in being a number of other resources that are valued in market and which are available in the forest like Korerima, Timz, in order to ensure its business diversification and it is advantageous to reduce risk of price fluctuation over single commodity. Although increasing graduate students in cooperative profession, increasing training and development program to coffee farmers at least once a month or above and also improve the linkage between the union and the members.

### Recommendation

The constraints faced by Kaffa Forest Coffee Producer Farmers' Cooperative Union is strong though they may be overcome if close attention is given to the implementation of the following recommendation. It is also important to underline that some of the recommendations were drawn from the respondents themselves and thus reflect their needs and aspiration.

**Training and development program:** It has been noted that training and development program are corner stone for cooperative development. So it is important to launch basic training program to enable members to understand the basic information concerning their cooperative activity and also towards as business activities.

**Quality Coffee Supply:** The union should following up quality coffee supply by implementing quality control and evaluation system. It is recommendable that training should be given to coffee farmer to provide quality coffee and raise yield.

**Availability of Timely Credit:** In addition to the above recommendations the union should give attention /emphasis/ for the availability of items credit to primary cooperatives which helps them to increase the production of quality coffee.

**Diversifying in to Now Markets:** The government, cooperative promotion bureau and cooperative experts should investigate, diversifying into new markets particularly though fain and free trade market.

**Helping the Primary Cooperatives:** It is also necessary to help the primary cooperatives which are included under the union to be strong enough to deliver quality coffee product to the union. *Using Modern Technology*  
It is also recommended to use modern technology to add values which satisfy the customers.

**Protecting the Forest:** Finally, it was that kafa is the home of organic coffee variables, birth place of coffee Arabica and origin of coffee name which are shade drawn. Coffee grown in natural state unturned by humans before various cases in a complex ecosystem under forest canopy. This forest caplet with diversify in the coffee produces. Specially tested and qualities in this truly all natural coffee to maintain this naturally special test coffee the union in collaboration with different government agencies and NGO's must protect the forest from any danger caused by humans.

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