 

# Analysis of Coffee Marketing Cost and Margins in South West, Ethiopia

Dessalegn Gachena, Solomon Kebebew
Wolkite University, College of Agriculture, Department of Agricultural Economics, Wolkite, Ethiopia
E-mail address: solomonkw2012@gmail.com

**Abstract**
The aims of this study were to identifying the existing coffee marketing channel, and estimating coffee marketing cost and margins. A two stage random sampling techniques was used to select 15 PAs and 150 coffee growers from the two major coffee producing woredas of the zone, while a purposive sampling technique was employed to select 40 traders and seven processors. Both primary and secondary data were used for this study. Descriptive statistics were employed to analyze the data. The result of marketing costs, margin and benefit analysis imply that coffee collectors incurred the lowest cost which was 7.97 birr per 17 kg. Coffee producers bear the highest cost followed by wholesalers which was 104.98 birr and 48.67 birr per 17, kg respectively. The average coffee wholesaler retained significant annual total net benefit than producers and coffee collectors. The estimated annual net benefits of a typical coffee producer, collector and wholesaler were birr 3879.88, 1708.28, and 390257.06, respectively. This implies that coffee trading is highly profitable at the wholesale level. The producers' share as a percentage of wholesale prices is low as compared to farmers in other regions of the country.
**Keywords**: Coffee, margins, coffee marketing channel, producers, traders

## 1. INTRODUCTION

Ethiopian coffee production systems are broadly categorized into four namely; forest coffee (8-10%), semi-forest (30-35%), garden or cottage (50-55%) and plantation (5-6%) MOA (2008). It is the most important cash crop with superior quality and organic in nature, indicating the huge potential of fetching high price premium in both domestic and the international markets. Ethiopia is the world's 6$^{th}$ largest coffee producer, and Africa's top producer, with 273,400 metric tonnes in 2008 (FAOSTAT, 2011). Export earnings from coffee grew by 19.7% as a result of a 19.4 % increase in the volume of exports contributing to significant rise to the country export earnings, while its average national prices remain as its preceding fiscal level. It also accounts for more than 25 % of GDP absorbs around 25% of employment opportunity for both rural and urban dwellers and 10% of the total government revenue (MOA, 2008).

Furthermore, the Ethiopian Investment Agency (2011) reported that the country exported 179,283 tonnes of coffee with a value of about US$562 million which accounted for 24% of the total quantity, 50% of the total value of agricultural products exported and 26% of the total value of country's export in 2008. According to ECX (2011), agricultural markets in Ethiopia before 2008 had been characterized by small scale producers (95%), high costs and risks of transacting and little access to market information. Aklilu and Ludi (2012) indicated that even though the government deals with coffee marketing, still the country has been constrained by poor marketing performance of agricultural products in general and coffee sub-sector in particular. The weak performance of the agricultural markets in Ethiopia has been recognized in various studies as the major impediments to the growth of the agricultural sector and the overall economy (FAO, 2011). In addition, without an efficient marketing system, the surplus resulting from increased production benefits neither the producer nor the country (Jema, 2008).

The Bench Maji zone Agriculture and Rural Development (2012) reported that about 13,421 tonnes of coffee were produced in the Bench Maji zone in the year 2011. This represents about 12.6% of SNNPRs output and 4.4% of Ethiopia's total output. Given the economic and social importance of coffee to the country in general and the Bench Maji zone in particular, an efficient marketing system may contribute to an increase in the marketable surplus by scaling-down the losses arising out of the inefficient processing, storage, and transportation. It guarantees the farmers better prices for their products and induces them to invest their surplus in the purchase of modern inputs so that productivity my increase (Kohls and Uhl, 1998). The current study aims for analyzing and evaluating coffee market channel and profitability of coffee production and margins in Southwest Ethiopia; the case of Bench Maji zone.

## 2. RESEARCH METHODOLOGY

### 2.1. Description of the Study Area

This study was conducted in Bench Maji Zone, South West Ethiopia the case of Bench Maji. It is one of the 13 zones in the Southern Nations, Nationalities and People's Region (SNNPR) of Ethiopia. It is located at 651 kms southwest of Addis Ababa. The zone comprises of 10 with a total of 230 peasant associations (PAs). Among

these 10 woredas, Sheko and South Bench are the leading coffee producing woredas of the zone (BMZARD, 2008). Therefore, this study particular has been undertaken in these two coffee producing districts of the Zone.

**2.2. Sources and Methods of Data Collection**

Both primary and secondary data were used for the study. The primary data were collected from sample coffee producers and traders by using structured questionnaires and informal survey. Separate questionnaires were designed for sampled farmers and traders. The questionnaires were pretested before the actual data collection practices. In addition to the questionnaire, an informal survey in the form of market visit and focussed group discussions were employed to acquire additional supporting information. Discussions were made with key informant farmers, coffee traders, and coffee marketing experts at the respective woreds and zonal level. In addition to primary data, secondary data were collected from Bench Maji zone Agriculture and Rural Development and from agricultural office of the two major sampled, Bench Maji zone Trade and Industry office, Bench Maji zone Finance and Tax office, Cooperative Union, CSA, MOA and EXC.

**2.3. Sample Size and Methods of Sampling**

The sample respondents were coffee growing farmers, coffee collectors, coffee suppliers/ wholesalers, coffee hullers and pulpiers. Both purposive and random sampling techniques were used to select the two woredas and producers, respectively. The list of coffee producing woreds in the study area was obtained from the Zonal Office of Agriculture and Rural Development and then after, Sheko and South Bench woreds were purposively selected on the ground that they are the leading coffee producers in the zone.

After identifying the area, a two-stage random sampling techniques were used to select the PAs and farm households. In the first stage, due to constraints of time and logistics, 7, and 8 PAs were randomly selected from Sheko and South bench woredas respectively. In the second stage, a total of 150(70 from Sheko and 80 from South Bench) coffee growing farmers were drawn from the selected PAs using systematic random sampling techniques. Moreover, 13 coffee wholesalers which also undertake coffee processing, 27 coffee collectors, 3 coffees pulping and 4 coffee hulling firms were purposively selected for the analysis.

**2.4. Method of Data Analysis**

Descriptive statistics such as mean and frequency have been employed to describe the marketing costs and margins. The structure-conduct-performance approach was used to analyse coffee market performance in terms of marketing cost and profitability of actors along the major marketing channels.

**Marketing Costs, Marketing Margins and Producers' Share**

Marketing costs, margins or price spreads analyses were undertaken to set strategies to tackle the problems in coffee marketing. The net marketing margin of each intermediary (coffee collectors and wholesalers) in the two main market channels was calculated as:

Gross marketing margin (GMM) = $P_1$-$P_2$ (1)

$P_1$= price received by a middleman,

$P_2$= price paid by the same middleman,

Or simply it is expressed in percent as:

$$TGMM = \frac{\text{Consumer price} - \text{Producer's price}}{\text{Consumer price}} \times 100 \quad (2)$$

Where: TGMM is total gross marketing margin.

It is useful to introduce the idea of producer participation, farmer's portion or producer's gross margins ($GMM_P$) which is the portion of the price paid by the consumer that goes to the producer. In this study, producers' share of the coffee wholesalers' price was computed for the two marketing channels.

$$GMMp = \frac{\text{Consumer price - Gross marketing margin}}{\text{Consumer price}} \times 100 \quad (3)$$

The net marketing margin (NMM) is the percentage over the final price earned by the intermediary as his net income once his marketing costs are deducted.

$$NMM = \frac{\text{Gross margin - market cost}}{\text{Consumer price}} \times 100 \quad (4)$$

Higher NMM or profit of the marketing intermediaries reflects reduced downward and unfair income distribution, which reduces market participation of producers. An efficient marketing system is where the net margin is near to normal or reasonable profit.

## 3. RESULT AND DISCUSSION

**3.1. Current Coffee Marketing Channels of the Study Area**

The study revealed that coffee passes through several stages before it reaches the ultimate consumers. These

 

stages were local collection station, processing, storage,and transporting, grading, exporting and domestic distribution. Accordingly, the following coffee marketing channels were identified in the study area.

**Channel I**: Coffee growers-coffee collectors-wholesalers-coffee export market
**Channel II**: Coffee growers- wholesalers- coffee export market
**Channel III**: Forest coffee producers' cooperatives-coffee export market/wholesalers
**Channel IV**: Coffee growers- cooperatives – coffee export market
**Channel V:** Coffee growers - consumers
**Channel VI**: Coffee plantation and development enterprises- Coffee export market

Among these, channel I is the principal coffee marketing channel through which sun-dried coffee passes from coffee producers to coffee collectors and then processed coffee bean is passed from coffee wholesalers to auction market. Following channel I, channel II is also well practiced coffee marketing channel through which both forms coffee (red- cherry and sundried coffee) pass from coffee growers to wholesalers and processed coffee then passes from wholesalers to the auction market. Channel III is a coffee marketing channel in which the forest coffee is produced or purchased, processed and directly exported or delivered to coffee exporters at the auction market. However, as compared to channel II this channel was not well practiced since at its youngest stage. It was organized very recently as such its impact is not yet sound and in fact, this channel has to be encouraged hoping it has a potential to fetch export earnings which the country needs badly. Sometimes there was also the case when the forest coffee producers' cooperatives purchase quality coffee from other coffee growing farmers especially when-their own production is very limited in order to benefit from economies of scale while selling at the export/ world market as indicated in channel IV.

Channel VI is the case of state farms such as Bebeka and Tepi Coffee Plantation and Development Organization. In fact this channel is out of the scope of this research and the idea is simply to show the flow of coffee. Figure 1 shows the current coffee marketing channel of the study area.

Farmers sell their coffee to the market place which is far from them. They sell their coffee in the form of red cherry during harvesting seasons and in sun-dried form (locally named as *Jenfel*) after storing for some months. About 21% of sampled farmers also sell their coffee in the form of *Marbush* (refers to locally hulled coffee) due to the price advantages than *Jenfel* though such practice is forbidden by woreda office of agriculture. Since it is manually hulled, *marbush*[1] contains significant amount of broken coffee beans which is usually purchased by illegal traders and mixed with better once to earn price margin which in turn deteriorates the quality of coffee. The main purchasers of coffee in the area were wholesalers, coffee collectors and cooperatives in the given order as summarized in (Table 1)

**Table 1.** Estimate of quantity of coffee sold (85 kg sacks ) by sample farmers to different agents.

| Types of coffee | Coffee collectors | Coffee Wholesaler | Cooperatives | Total |
|---|---|---|---|---|
| Red-cherry | 1374 | 21764.7 | 600 | 23738.7 |
| Sundried | 5848.06 | 53764.7 | 300 | 59912.8 |

*Source: Survey result, 2013.*

Unlike the findings of Elias (2005), wholesalers purchase large amount of coffee both in the case of sun dried and red cherry either directly or through their agents (Table 1). Coffee collectors were the next largest purchasers of coffee followed by cooperative societies. In addition to licensed coffee traders, there was also an involvement of illegal coffee traders in the study area through which coffee passes on to unlicensed traders. Farmers sell their red cherry to illegal traders to meet the urgent cash needs especially those farmers who are living in distant areas where there is a shortage of or no coffee washing service. Illegal traders earn price margin by collecting coffee from house- to-house. They buy broken coffee beans for lesser price and mix them with better quality coffee to earn price margin. About 58% of coffee growing farmers reported that illegal traders try to pay similar price for both broken and quality coffee. As a result this action discouraged those farmers who keep the quality of coffee since there is no extra pay. Unlicensed speculative middlemen purchase coffee from producers and sell it to coffee collectors and make profit at the expense of farmers. There was no strong system to control the actions of these traders. About 61 % of coffee traders reported that the failure to control illegal traders and quality of *Jenfel* has led to deterioration coffee quality.

Coffee wholesalers and pulpiers were the major purchasers of red-cherry through their legal agents (coffee collectors) in the study areas. Cooperatives also purchase some amount of red cherry. The amount of red cherry presented to domestic consumers is insignificant. It is only that amount sold by wives and children.

[1] Marbush refers to manually hulled/processed coffee at the farm level. It contains large proportion of broken coffee bean.

 

**Table 2.** Percentage of sample farmers who sold red cherry to different agents

| Agents | Woreda | | |
|---|---|---|---|
| | Sheko N=80 | South Bench N=70 | Total N=150 |
| Illegal traders | 43.37 | 28.57 | 36.66 |
| Private pulpiers | 100 | 100 | 100 |
| Coffee wholesalers | 50.0 | 42.86 | 46.67 |
| Cooperatives | 8.75 | 14.29 | 16.67 |
| Domestic consumers | 1.25 | 2.85 | 2.00 |

*Source: Survey results, 2013*

According to the survey results, the dominant purchasers of sun dried coffee are coffee collectors and wholesalers. In choosing buyers, most farmers (65.80%) reported that price is the primary decision variables. About 69% of the sampled farmers reported that even though the price and the weighing scale of wholesalers and private pulpier are considered preferable, selling to coffee collectors is easier because the time and cost of transportation required in the exchange process are less demanding. The survey revealed that 50.67% of farm households sold their sun-dried coffee to coffee collectors in 20008. Even though the direct transaction between farmers and wholesalers was officially forbidden previously, 53 farmers (about 35.33% from the total) reported to have sold to wholesalers. This percent varies across Woredas which is 40% and 31.25% in Bench and Sheko Woredas respectively. Farmers also sell sun-dried coffee to illegal traders, cooperatives and domestic consumers. In this respect, about 23% of the sample farmers reported to have sold their coffee to illegal traders. The major reason why farmers sell to illegal traders is the fact that these traders are sometimes willing to offer a better price and collect coffee through home to home visit which reduces the transportation and other costs to the producers. About 11% and 6% sample farmers also reported that they had sold sun-dried coffee to cooperatives and domestic consumers, respectively (Table 3).

**Table 3.** Proportion of sample farmers who sold sun dried coffee to different agents in percent (Multiple responses).

| Agents | Woredas | | |
|---|---|---|---|
| | Sheko N=80 | South Bench N=70 | Total N=150 |
| Legal coffee collectors | 50.00 | 51.43 | 50.67 |
| Unlicensed coffee collectors | 25.00 | 21.43 | 23.33 |
| Wholesalers | 31.25 | 40.00 | 35.33 |
| Cooperatives | 12.50 | 8.57 | 10.66 |
| Domestic consumers | 5.00 | 7.14 | 6.00 |

*Source: Own survey result, 2013.*

Results presented in Table 4 show that all coffee collectors purchase coffee from farmers, as they also used to purchase from unlicensed traders. As previously indicated, unlicensed traders purchase coffee from farmers and sell to legal collectors making a profit at the expense of farmers.

| Sources of supply | Woreds | | |
|---|---|---|---|
| | Sheko N=7 | South Bench N=20 | Total N=150 |
| Coffee growing farmers | 100.0 | 85.00 | 88.89 |
| Unlicensed traders | 71.43 | 50.00 | 55.56 |

*Source: Own survey result, 2013.*

Most coffee collectors sell the purchased coffee on the same day as reported by 72.8%. However, some collectors (27.2%) responded that they store for some times (more than two months) for speculative purposes. The absence of buyers which might happen sometimes also forces them to store coffee for sometimes until it is sold. During market survey it was observed that farm-gate price is not fixed at uniform level. Different prices (with marginal difference among individuals between 10 to 25 cents per kg of *Jenfel)* prevail due to the influence of illegal traders and collectors. Similarly the price discovered by the transaction between coffee collectors and wholesalers is not uniform within a market day.

All coffee collectors sell their coffee to wholesalers and the wholesalers in turn supply it to the terminal market for auction sell. As shown in Table 29, all wholesalers purchase from coffee collectors. Most of the sample coffee wholesalers (84.62%) also purchase from farmers through either their wives licensed for coffee collection or directly through their agents in which the farmers wrongly perceive them as legal collectors. Moreover, about

 

31% the wholesalers confirmed that they also purchase from illegal traders. Similarly 15.38% of the wholesalers responded that they purchased from cooperatives when the cooperatives face technical problems in their operation. That is when they fail to deliver to the central market or when they fail to export for some reasons. The survey revealed that coffee exporters buy hulled and washed coffee at the auction market. To meet the export standards, exporters reprocess the coffee until it becomes clean. Coffee rejected at inspection centre goes to domestic consumption through wholesalers and retailers.

| Suppliers | Woredas | | Total |
|---|---|---|---|
| | Sheko N=4 | South Bench N=9 | N= 13 |
| Coffee collectors | 100 | 100.0 | 100.0 |
| Coffee growing farmers | 100 | 77.78 | 84.62 |
| Unlicensed traders | 25 | 33.33 | 30.77 |
| Cooperatives | 25 | 11.11 | 15.38 |

Sources: own survey results, 2013.

**3.2. Results of Marketing Cost and margins analysis**

Marketing margin is defined as the percentage of the final weighted average selling price taken by each of the marketing chain. The margin must cover the cost involved in transporting the produce from one stage to the next and provide a reasonable return to those doing the marketing. The marketing margin analysis indicated that the total gross marketing margin was 118.49 birr per 17 kg of clean bean coffee in channel I and 109.64 birr per kg of clean coffee bean in channel II. The producers share from the auction market was 63.11% in channel I, whereas it was 65.87% in channel II. This difference might support the theory that as the number of marketing agents increases the producers share decreases. The reason being, the higher number of middlemen in the commodity market, the more profit they retain for their services whether they add value to the item or not.

Labour cost which includes (weeding, pruning, harvesting, food item during group work, loading and unloading, etc.) was the principal cost of coffee growers constituting about 62.11% of the total cost. Cost of transportation (farm to home, home to market or sometimes market to home when the price is very low) was also the second major cost of producers followed by cost of land, materials and tax. As indicated in the Table 36 the producers' net benefit was estimated to be 30.43%, 33.18% in channel I and II respectively. Transport cost is the major cost component for both coffee collectors and wholesalers which accounted for 28.24% and 41.09%, respectively.

**Table 6.** Marketing margin (Birr per 17 kg of clean coffee bean) in channel I.

| **1. Producers** | |
|---|---|
| Cost Items | Cost |
| Labor | 65.20 |
| Materials | 8.250 |
| Transport | 15.40 |
| Tax | 2.5 |
| Land rent | 13.63 |
| **Total producer cost** | **104.98** |
| **Average selling price** | **202.71** |
| **Benefit/Profit** | **97.73** |
| **2. Coffee collectors** | |
| Collectors purchase price | 202.71 |
| Material | 0.31 |
| Labour | 1.46 |
| Transport to selling station | 2.20 |
| License renewal | 0.45 |
| Tax | 1.42 |
| Storage rent | 0.16 |
| Interest | 0.75 |
| Personal travel and other expenses | 1.22 |
| **Total collectors cost** | **7.97** |
| **Collectors selling price** | **213.34** |
| **Collectors gross margin** | **10.63** |
| **Collectors net benefit** | **2.66** |
| **3.Coffee wholesalers** | |
| Wholesalers purchase price | 213.33 |
| Materials | 3.72 |

 

| | |
|---|---|
| Labour | 5.26 |
| Agent commission | 1.43 |
| Transportation | 20.00 |
| License renewal | 0.02 |
| Tax | 2.41 |
| Wages for permanent workers | 0.64 |
| Processing (Hulling charge) | 4.16 |
| Electricity | 0.31 |
| Storage rent | 1.21 |
| Interest | 6.50 |
| Telephone expenses | 0.44 |
| Other (personal travel and sample wastage) | 0.48 |
| Depreciation | 2.09 |
| **Total wholesalers cost** | **48.67** |
| **Wholesalers price** | **321.20** |
| **Wholesalers gross margin** | **107.87** |
| **Wholesalers net benefit** | **59.20** |

*Source: Survey result, 2013.*

**Table 7.** Marketing margin Birr per 17 kg of clean coffee bean) in channel II.

| **1. Producers** | |
|---|---|
| Cost Item | Cost |
| Labour | 65.20 |
| Material | 8.25 |
| Transport | 15.40 |
| Tax | 2.50 |
| Land rent | 13.63 |
| **Total producer cost** | **104.98** |
| **Average selling price** | **211.57** |
| **Profit/ Benefit** | **106.59** |
| **2.Coffee wholesale** | |
| Wholesalers purchase price | 211.56 |
| Materials | 3.72 |
| Labour | 5.26 |
| Agent commission | 1.43 |
| Transportation | 20.00 |
| License renewal | 0.02 |
| Tax | 2.41 |
| Wages for permanent workers | 0.641 |
| Processing Hulling charge) | 4.15 |
| Electricity | 0.31 |
| Storage rent | 1.21 |
| Telephone expenses | 0.44 |
| Other personal travel and sample wastage) | 0.48 |
| Depreciation | 2.09 |
| Interest | 6.50 |
| **Total wholesalers cost** | **48.67** |
| **Wholesalers value** | **321.20** |
| **Wholesalers gross margin** | **109.64** |
| **Wholesalers net benefit** | **60.97** |

*Source: Survey results, 2013.*

The net marketing margin/benefits for coffee collectors and coffee wholesalers were birr 2.66 and birr 59.20 per *feresula* clean coffee bean in channel I respectively. However, the net benefit of wholesalers was 60.97 per *feresula* in channel II due to the direct transaction with farmers. The Woreda agriculture office reported that currently we have developed a law to encourage the direct transaction between coffee growers and wholesalers in order to improve growers' benefits and coffee quality. To encourage the enforcement of this law, collectors were ordered through formal letter to submit their trade license to the office of trade and industry starting from

 

February 2009.

**Table 8.** Summary of marketing share(% share) in 2011 for channel I and II.

| | Selling Price (birr/17kg) | | Gross Share from Wholesale price (%) | | Net marketing Share (%) | |
|---|---|---|---|---|---|---|
| Marketing agent | Channel I | Channel II | Channel I | Channel II | Channel I | Channel II |
| Producers | 202.71 | 211.56 | 63.11 | 65.87 | 30.43 | 33.18 |
| Collectors | 213.34 | 0.00 | 3.31 | 0.00 | 0.83 | 0.00 |
| Wholesalers | 321.20 | 321.20 | 33.58 | 34.13 | 18.43 | 18.98 |

Sources: survey results, 2013

The net benefits retained by coffee growers are poorly motivating as compared coffee producers in other regions of the country. According to Edilegnaw *et al*. (2006) in the post period, 1992-2004, producers in Harar, Wellega, Sidama and Jimma zone received 62.70, 53.4, 59.20 and 55.70%, respectively. The reason for this low share is the fact that the producers price is affected by marketing costs (physical and transaction costs), concentration of market power in the hands of few, both locally and internationally, and lack of market supporting institution in the study areas.

| Marketing channel agent (channel I) | Net benefit (Birr/17 kg) | Annual Average sales (17 kg) |
|---|---|---|
| Farmers | 97.73 | 39.70 |
| Coffee collectors | 2.66 | 642.21 |
| Wholesalers | 59.20 | 6592.18 |

*Source: Survey result, 2013.*

Wholesalers retained by far more annual total net benefits than producers and coffee collectors.

## 4. CONCLUSION AND RECOMMENDATIONS

Though the coffee marketing channel in the study area was relatively short, the existence of unlicensed traders in the rural and urban areas discouraged licensed traders. These illegal traders do not pay taxes and can narrow the gross margin of licensed traders by the amount of the tax they pay. The illegal traders are also making price margin at the expense of producers by reducing the farm gate price or by cheating weighing scales. There was no effective enforcement mechanism that can mitigate the activities of such traders. This made some tax payers not to generate adequate profit after having covered all the necessary cost.

The result of marketing costs, margin and benefit analysis imply that coffee collectors incurred the lowest cost which was 7.97 birr per 17 kg. Coffee producers bear the highest cost followed by wholesalers which was 104.98 birr and 48.67 birr per 17, kg respectively. The average coffee wholesaler retained significant annual total net benefit than producers and coffee collectors. The estimated annual net benefits of a typical coffee producer, collector and wholesaler were birr 3879.88, 1708.28, and 390257.06, respectively. This implies that coffee trading is highly profitable at the wholesale level. The producers' share as a percentage of wholesale prices is low as compared to farmers in other regions of the country.

### 4.2. Recommendations

The provision of licensing for integrated activities. The government should abandon the restriction on the areas of operations being imposed on traders. This is to mean that, allowing coffee wholesalers to purchase coffee directly from producers, and also coffee collectors to perform the activities of wholesalers. Provision of appropriate packing and coffee drying facilities for farmers at a reasonable price coupled with provision of adequate training on the techniques of harvesting, drying, packing and storing to maintain the quality of coffee are required. Strengthening quality inspection centre at the local market is also indispensable to improve the quality of coffee in the study area. Improvement of the marketing infrastructure is another area of intervention to improve the performance of coffee marketing in the study area. Due attention should be given to the improvement of roads and communication networks in different production and trading centre. Finlay, there is a need to attract and even force unlicensed traders to have a trading license since they are believed to lift up coffee prices and narrow profit of licensed traders.

**Conflict of interests**

The authors have not declared any conflict of interests.

**Acknowledgement**

The authors would like to acknowledge Mizan-Teferi College of Agriculture (ATVET) for the financial support. A special thanks to all collaborative for unreserved and back-up to carry out the coursework and the research activities.

 

## 6. REFERENCES

Aklilu Amsalu and Ludi E. 2010. The Effect of Global Coffee Price Changes on Rural Livelihoods and Natural Resource Management in Ethiopia: A Case Study from Jimma Area. NCCR North-South Dialogue 26. Bern, Switzerland: NCCR North-South.

BMZARD (Bench Maji Zone Agriculture and Rural Development), 2008. Annual Report, Mizan Teferi.

ECX (Ethiopian Commodity Exchange ECX), 2009. Making Market for All: Solving an Age Old Problem, Addis Ababa.

Elias, A., 2005. Economics of Coffee Marketing in Jima Zone: The Case of Gomma Distrits an M.Sc.Thesis Presented to Alemaya University, Alemaya, Ethiopia.

FAO (Food and Agricultural Organization), 2011. Marketing Infrastructural Innovation in Developing Countries; A Survey. World Bank Stuff Working Paper No.52.The World Bank, Washington DC USA. 43p.

FAOSTAT, 2011. FAO Statistical Year Book. Accessed on August 2011 from http://faostat.fao.org/site/342/default.aspx

Jema, H., 2008. Economic Efficiency and Marketing Performance of Vegetable Production in the Eastern and Central Parts of Ethiopia. PhD Thesis Presented to Sweden University of Agricultural Science, Sweden.

Kohl's, R.L. and J.N. Uhl, 1985. Marketing of Agricultural Products, 5th Edition, Collermacmillan, USA.

Kohl's, R.L. and J.N. Uhl, 1998. Marketing of Agricultural Products, 8th Edition, Macmillan Publishing Company, New York.

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:
http://www.iiste.org

## CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

**Prospective authors of journals can find the submission instruction on the following page:** http://www.iiste.org/journals/ All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

## MORE RESOURCES

Book publication information: http://www.iiste.org/book/

### IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digtial Library , NewJour, Google Scholar