

# The Discourse on Coffee Processing and Marketing in Limmu Awraja Southwestern Ethiopia in the Twentieth Century

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## Abstract

To examine the discourse of coffee processing and marketing in Limmu awraja, various archival documents, reports, interviews and secondary literature are analyzed by cross-checking one another. In the twentieth century, Limmu awraja became the center of coffee production in southwestern part of Ethiopia. As a result, coffee becomes a viable product for peasants and merchants. Although traditional processing and marketing of coffee was dominant, the Ethiopian Coffee Board (ECB) and pulping and hulling stations introduced a huge change in the sector. Aside from the government's efforts, private firms played a critical role in coffee quality assurance. Consequently, both wet and dry-processed coffee were produced for domestic and international markets in quantity and quality. However, there were problems that impeded the processing and marketing of coffee, such as inadequate infrastructure, a poorly organized marketing system, Coffee Berry Disease, fluctuating coffee prices, high local consumption, and weak trade policies. Therefore, this study examines the change and continuity in the growth of the coffee processing and marketing sector in Limmu awraja of Kaffa governorate general.

**Keywords:** Coffee Marketing, Coffee Processing, Kaffa Governorate, Limmu Awraja, Southwestern Ethiopia

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## Introduction

Agriculture is the backbone of the Ethiopian economy for centuries. It is a source of income for all Ethiopians, either directly or indirectly. Until the 1990s, agriculture employed more than 80 per cent of Ethiopia's population, and agriculture generated 60 per cent of the country's GDP. More than 90 per cent of the country's exports come from agricultural products, with coffee accounting for the lion's share approximately 60 per cent (Bahru, 2002). According to a study conducted in 2008, agriculture accounts for more than half of Ethiopia's GDP, eighty per cent of exports, and eighty-five per cent of job opportunities. Coffee is Ethiopia's most important export commodity, accounting for 35 per cent of its foreign exchange earnings (Admasu and Klaus, 2008).

The best highland coffee in the world is produced and exported from Ethiopia. About 335 million USD, or 41 per cent of Ethiopia's foreign exchange earnings, came from the coffee industry, which is crucial to the country's economy. Additionally, a significant percentage of households earn money from the coffee subsector. Along with coffee farming, firms involved in the processing and exporting of coffee also contribute significantly to job creation. The sub-sector housed around 15 per cent of the total people and accounted for 20 per cent of the land (Samuel and Eva, 2008).

*Coffea arabica*, the most significant coffee in the world, originated in Ethiopia. This coffee variety is renowned for its exceptional quality as well as its distinct fragrance, flavour, acidity, and well-balanced body. Ethiopia already produces several types of speciality coffees with distinctive names, including Limmu coffee, Yirgachaffe coffee, Harar coffee, Jimma coffee, Kefa coffee, Sidama Coffee and so on. But as more and more high-quality products are found and produced elsewhere, the nation is experiencing fierce competition on the global market. Fortunately, Ethiopia has a favourable microclimate and agroecology for producing distinctive coffee varieties. However, little work has been done to identify and label speciality coffees in the primary coffee-growing regions of the nation. Therefore, in order to maintain and grow its coffee business as well as its foreign exchange gains, the country must diligently work to maximize coffee quality in coffee-growing regions (Dessie, 2008)

The former Kaffa governorate or the present Jimma administrative zone is built of Jimma awraja and Limmu Awraja. It is the origin of coffee *arabica* plants and one of the dominant coffee-growing regions in Ethiopia. Even the name 'Coffee' in various languages is driven by its origin area '*Kaffaa*' in southwest Ethiopia (Dagm, 2016). Thus, coffee is widely farmed in eight districts: Gomma, Manna, Gera, Limmu Kossa, Limmu Seka, Kersa, Seka Chokorsa, and Dedo (Anuwar, 2010). Therefore, this article assesses the history of coffee processing and marketing in the former districts of Limmu awraja which consists of the above-mentioned coffee-producing districts like Gomma, Manna, Gera, Limmu Kossa, and Limmu Seka until the late twentieth century.

## The commencement of coffee processing in Limmu awraja

The coffee processing and marketing system was earlier based on a traditional system. Based on information obtained from informants, the traditional practices involved only picking the coffee from the forest (wild coffee)

without any additional work. This was followed by drying and hulling the beans using traditional wooden materials. Finally, the processed coffee “*Buna Qishira*” was used for consumption and sold in local markets at a low price, to be mainly consumed by urban dwellers. Coffee obtained from the forest and produced traditionally served both local consumption demand and served as a commodity to generate income for centuries in Limmu awraja where forest coffee is abundantly found. In the first half twentieth century due to the profitability of coffee marketing forest/wild coffee production system was transformed into semi-forest coffee production and garden coffee cultivation and scheme. Since the 1950s following the involvement of private investors, agricultural experts and government encouragement to the agricultural sector, mechanized coffee plantations were expanded in the country.

Early in the 1950s, the first law that prohibited the export of uncleaned, ungraded coffee was passed, and ever since, coffee processing and quality have been a contentious issue among coffee producers, suppliers, and merchants. The official legislation had stringent restrictions on coffee processing and quality assurance. In this regard, the proclamation requires the body that processes coffee to properly clean and process the coffee it receives in accordance with the conditions of the contract entered, then send it to the owner with proof of cleaning consistent with the coffee's quality and grade (Negarit Gazeta, 1957)

After the 1950s, with the commercialization of coffee, peasants and some landowners planted domesticated forest coffee. They began to use coffee seedlings, which grew into coffee trees by taking some of the coffee beans that had fallen during harvest time. They sprouted later in the rainy season. Finally, the seedlings were transferred to a space prepared for the plant. These seedlings had a high probability of dying (Daniel Ayana, 1986). Informants witnessed that some farmers, private coffee planters and state farmers followed the modern processing system. Accordingly, the selected coffee beans were sown on a plot of land prepared for the nursery. Most of the peasants who had large coffee plantations had gotten hybrid and selected beans from private coffee planters like *Ras Mesfin* and *Lej Abate* in the late 1960s. In the post-1974, after the establishment of government farms, peasants took seedlings either from state farm demonstration sites or from the peasant association's nurseries. These seedlings were planted on land prepared 45 days earlier, in a row with a 1.5-meter distance gap between plants. After three to five years, the first yield was obtained. As a result, yield increased in peasant, private and state farms from the second half of the 1950s to the late 1980s (LKWARDO, 1982). This was due to the variety of species grown, and the use of modern agricultural inputs (Cambrony, 1996).

The time of maturity and harvesting of coffee is determined by the prevailing climatic conditions, cropping techniques and the setting of the coffee plantation. In Limmu *awraja*'s districts, the coffee flowering period is between December and April and happens up to three times a year based on the conditions of the rain (Damenu, 2008). The coffee harvest was mainly conducted by seasonal labourers and with very few permanent labourers on the private plantation. In the 1950s and 1960s, private coffee farmers had gotten hulling sites, especially through the Tana Private Company, which was founded by *Ras Mesfin* and *Leftery Yani Company*, which established the wet and dry coffee cleaning plants in Agaro town (Yonas, 2002). After the establishment of state farms in the province, permanent labourers were employed in 1978/79, 1986/87 and 1989/90. They did different manual activities that were related to coffee production and processing. Some part-time labourers were also hired from local and migrant populations (LCPDE, 1991).

### **Dry and wet processing and quality control**

Following the completion of the coffee harvest, the fresh beans are dried on a drying table known as a 'coffee bed.' The coffee bed is created from locally sourced materials. Before entering the huller, the beans are thoroughly cleaned. Fresh red cherries are processed in three processes for wet coffee production: first, the pulp and mucilage are removed; next, the parchment coffee is washed and dried; and lastly, the parchment is removed (MoCT, 1986).

In order to get good-grade coffee at high prices at national and international markets, quality assurance is indispensable. In this regard, the expansion of wet coffee processes occurred at a slow rate. However, the government made efforts to advise, counsel and finance the coffee farmers. Accordingly, the Development Bank of Ethiopia gave loans to the coffee growers although these were confined to the well-pocketed farmers and landowners. Coffee experts employed by the Development Bank were stationed in coffee-growing areas to advise the growers. The Development Bank of Ethiopia purchased an aqua pulpier and a wet coffee processing plants which were erected by the bank in Suntu town, now Limmu Genet town for the benefit of the growers. In 1957, the Development Bank of Ethiopia formed a separate company, the Suntu Processing Corporation, to operate the aqua pulpier in partnership with Besse Ltd, one of the largest coffee exporters in Ethiopia in the 1950s and 1960s. The company began an effort to improve the transportation problem. The Highway Authority began improving the roads of the locality and the main road connecting it with the capital city Addis Ababa. The aqua pulpier, which was placed in Suntu, was the first in the country (Ethiopian Observer, 1960). According to informants, this pulping machine was established in Limmu Suntu (Limmu Genet) town, near the river locally called Gibe, not the main Gibe River but rather a tributary of Gibe. The local people named the pulping station

the *Biss*. Five additional aqua pulpier machines were imported for other coffee-growing regions in the country. Before the introduction of the aqua pulpier, coffee farmers predominantly undertook the drying process using the traditional system. But following the establishment of the pulping centres, farmers have begun to use wet processing methods. *Ras Mäsfim*, the owner of a large coffee plantation and coffee processing and marketing company called *Tana*. This company established a dry processing and hulling machine in *Gomma* and *Kossa* districts. Some other small manual pulping machines were also planted in the *Limmu Kossa* district near *Dembi River*, which was owned by *Mesfin Belete*, the coffee plantation owner in *Dembi*.

Nonetheless, there was no entity in Ethiopia that controlled the level and quality of exported coffee until 1957. As a result, the price of Ethiopian coffee was extremely low. The Ethiopian government declared the establishment of quality control. The decree stipulates the prohibition of uncertified coffee and made requirements to have a trade license for merchants. The government began to pay great attention to quality control starting with the nomenclature of coffee, which was proclaimed under legal section notice number 218/1951E.C. to be termed: ‘ቡና ማለት የቡና ተክል ፍሬ ማለት ነው። እሱም የተበጠረ ቡናን ከነሰግላጡ ያለ ቡናን ጀንፈልን እና የተቆለ ቡናን ያጠቃልላል።’ “Coffee means beans of the coffee plant which are parchment, including cleaned, uncleaned, dry and roasted coffee.” In 1956, under the Ministry of Agriculture (MoA), a body that controls concern about coffee was organized by young, foreign-educated officers. The government designed a project that could facilitate coffee quality assurance under an Ethio-American agreement. In 1957 proclamation number, 28/1950E.C. established the Ethiopian Coffee Board (ECB). This board was accountable to the Ministry of Trade and Industry, later the Ministry of Trade, Industry and Plan (MoCT, 1986). NCBE was established to regulate coffee marketing in the country and improve the quality of Ethiopian coffee for export (ECX, 2008a). In 1959, ECB set up a regulation that marked the turning point for Ethiopian coffee quality and marketing. Regulation number 218/52 article 4 stated that every coffee producer should give due consideration and care to coffee plants. Ripe coffee should be harvested on time with good care. Consideration should be taken while drying and processing the coffee. Storing the processed coffee in a proper place was stated to be an important issue for the maintenance of quality coffee. The proclamation also stipulates coffee marketing as anyone could not be involved in the coffee trade without having a license and those retailer merchants should not trade (buy or sell) more than three kilograms of coffee at a time. Based on these new legal formalities the coffee market began to expand for producers and merchants (collectors and suppliers) (MoCT, 1986).

The ECB was charged with a variety of tasks and obligations. These include imposing the Coffee Proclamation of 1952 and other subsidiary laws, reviewing all coffee-related laws and offering suggestions about how they should be strengthened, consulting stakeholders about what policies and procedures should be put in place to improve Ethiopian coffee, gathering and publishing data on the market and statistics about the coffee trade, and promoting cooperative coffee production and marketing. The board was given considerable powers in order to efficiently perform such responsibilities and duties. To highlight a few, the board was given all the Ministry of Commerce and Industry's powers under the Coffee Cleaning and Grading Proclamation of 1952 and other related legislation, except the power to make rules. It was also given the authority to build, operate, or lease warehouses, coffee processing and cleaning factories, marketplaces and compounds, experimental and research stations, and conduct research on similar operations. Finally, the decree empowered the board to establish an *Addis Ababa Coffee Exchange* (*Negarit Gazeta*, 1957).

In 1973, a project for the construction of new washing stations was started by International Development Association (IDA) loans. The sole objective of this was to increase the quantity of washed coffee to fetch a higher unit value of export. The Coffee Improvement Project (CIP) was started in 1977 with aid from the European Development Fund. CIP's main objective was to increase the yield per hectare, which would benefit about 25 thousand small coffee growers covering about 20 thousand hectares of coffee land. The anticipated additional production from this project is about 13 thousand tons that would gradually materialize over a period of 15 years. The ministry also carried out spraying operations against Coffee Berry Disease (CBD) from 1975 to 1976 and the scale of operation has gradually expanded by about 25 thousand hectares per year in an attempt to save ten thousand tons of coffee per year (MoCTD, 1980).

In order to improve the processing and quality of coffee, the government concluded an agreement with the IDA. This agreement provided credit to the *Gomma Coffee Growers Cooperative Society Limited* and the *Jimma Coffee Growers Cooperative Society Limited* for the construction of approximately 20 coffee washing stations in *Limmu* and *Jimma awrajas* of *Kaffa* governorate or *teqelay - gizat*, with a total annual capacity of approximately 2,000 tons of clean coffee. The agreement also includes the building of roughly 60 km of dry weather washing station access roads connecting washing stations to the current road network and the upgrade of about 40 km of existing dry weather roads to enable the transport of coffee from such washing stations to *Jimma*. In *Limmu Awraja* of the *Kaffa* region, coffee plantation owners were given credit for building roughly 10 coffee washing stations with a combined yearly capacity of about 1,000 tons of clean coffee. In addition, the government decided to establish about seven research centres or substations for coffee agronomy and processing in different zones of Ethiopia. Each substation would contain suitable areas of existing so-called forest coffee. This

contributed to the foundation of coffee research at Jimma Agricultural School now Jimma University (DCA, 1972).

The establishment of Jimma Agricultural School played an important role in every aspect of coffee production, processing and marketing. Jimma Agricultural School, which was launched in September 1952, was staffed by the College of Agriculture and Mechanical Art in Oklahoma, U.S.A, under a contract made with the college and the American Mission to Ethiopia. The Ethiopian government provided two *gasha*<sup>1</sup> of land and the building for the classrooms, student dormitories and recreation rooms, living quarters for the staff and farm buildings, as well as running expenses. The American Mission paid the salary of the American staff. Jimma Agricultural School established several coffee plantations under the guidance of Dr. Hugh Rouk, who worked with Dr. Pierre Sylvain, the F.A.O. coffee expert. Jimma Agriculture School taught coffee processing by the wet method and endeavoured with some success to inculcate the method among the farmers of the locality. Nevertheless, much more was done to secure its widespread acceptance among coffee growers of Ethiopia, both by teaching and by the provision of equipment (Ethiopian Observer, 1960).

In the 1980s, 29 wet processing machines (pulpier) and 31 dry processing machines (hullers) with different power capacities were introduced into Limmu *awraja*. The earlier hullers were mostly older and had a lower capacity for operation. The 55.2 per cent of the pulpier were concentrated in the hands of state farms that were operated by Limmu Coffee Plantation Development Enterprise (LCPDE) and the remaining 44.8 per cent were in the hands of cooperative farms; 41.9 per cent of the hullers that are found in the Limmu sub- province were operated by LCPDE (Tsfaye, 1987).

Gomma and Kossa districts had access to modern hulling and pulping machines. This indicates that the highest potential for coffee production and yield was in Gomma and Kossa districts. As it has been mentioned, the majority of both hulling and pulping machines belonged to the state coffee farms. However, with the expansion and increase in yield in the state farms, the numbers of pulping and hulling machines could not be sufficient. A shortage of coffee bean processing facilities and dry coffee hulling machines affected the quantity and quality of production or yield obtained each year. But, from 1981-1990 the corporation planted 16 wet coffee hulling machines and 4 hulling machines for dry coffee (MCTD, 1980). In this period, the state farms had undergone a rapid expansion in coffee production, coffee coverage and the workforce involved. For instance, coffee production increased from 15,740 tons in 1982 to 19,650 tons in 1989 (MoCTD, 1990). (see table 1)

### **The role of Limmu Awraja in Coffee Marketing**

The exact time when coffee was first exported from Ethiopia is unknown. The two earliest primary source documents of Ethiopian history “Periplus of Eritrean Sea” written in the first century A.D. and the “Christian Topography” of a Greek merchant Cosmas Indicopleustes, written in the sixth century, make no mention of coffee as one of the export goods. This is not surprising as coffee was not yet a commodity sellable abroad since no country would consume it or cultivate it. The sailor who wrote the “Periplus of Eritrean Sea” and the “Christian Topography” mentioned only the marketable commodities such as gold, ivory, tortoise shells, civet, myrrh, cinnamon and other products in demand at the time. The Portuguese Chaplain, Francisco Alvarez, who chronicled the doings of the first Portuguese mission to Ethiopia from 1520 to 1527, also did not mention coffee. Again, this is not surprising because coffee was not yet known in Portugal. Alvarez and his friends, as honoured guests courteously received were given the best available drink, *tej*. It was the noblest drink, considered worthy of presentation for the guests of the emperor. However, no coffee drinks were available in the court or in society. Other Jesuit missionaries who came after Alvarez did not record coffee (Ethiopian Observer, 1960).

Pankhurst mentioned that it was Ethiopian Muslim traders and Arab traders who exported coffee from its original home or from the southwestern part of Ethiopia to Yemen in the fourteenth and fifteenth centuries. Thereafter, coffee made its rapid expansion to the rest of the world and the marketing of coffee was expanded along the long-distance trade routes (Pankhurst, 1968). Up to the close of the seventeenth century, the Arabs of Yemen had controlled the coffee trade almost exclusively. However, the occupation of the Ethiopian port, Massawa by Turkey in the middle of the sixteenth century resulted in a challenge to access to the sea and prevented Ethiopia from maintaining direct commerce with the outside world (Dagm, 2016).

Coffee became a significant export good to Arabia after the revival of long-distance trade in Ethiopia and the development of the Gibe Oromo monarchical states. In this sense, the first Gibe Oromo state, known as Limmu Ennarya, participated in long-distance trade after the state's establishment and the arrival of Muslim traders. According to Antoine Abbadie, cited in Abir, Limmu Ennarya maintained and even had a monopoly on trade in the Gibe region until 1847 (Abir, 1968; Lange, 1982). Coffee production flourished more in Limmu Ennarya than in any other state because of its numerous coffee forests. Due to this, Limmu Ennarya became the supplier of coffee for the markets in northern Ethiopia and the Arabian Peninsula. Coffee was therefore one of Limmu Ennarya's main exports in the 19th century (Mohammed, 1994; Gada, 1988).

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<sup>1</sup> *Gasha or qalad* is a unit of land measurement equivalent to 40 hectares of land



The Afkala, southwestern Oromo merchants and the Jeberti Muslim merchants from the north had played a significant role in coffee marketing along the long-distance trade routes. But coffee was not extensively sold and bought in the locality. Intensification of trade in coffee began after the establishment of the modern Ethiopian state at the turn of the nineteenth century; especially after the Italian occupation through the new land reform by renting lands which was belonging to landowners (Bossolasco, 2009). In 1910, the coffee-growing region of Limmu awraja emerged as a significant economic force. The coffee export was adversely affected by World War First (1914 – 1918) which closed the trade routes to the international markets. The decrease in transportation expenses following the building of the Addis Ababa-Djibouti railway led to a tremendous rise in coffee export. The production in the southwest, which had previously been in the lead, had significantly overtaken Harar's by 1925. Middle East nations made up the majority of the destinations. However, the quality wasn't fully standardized at the time (Shiferaw, 1995). (see table 2)

According to studies, previous to the 1920s, the majority of Ethiopian coffee was consumed locally. On the other hand, the volume of coffee export began to rise during this period, and the industry began to play a more prominent part in the country's national economy. At this point, actors other than growers and traders, particularly brokers, arose and began to play a substantial role in the coffee industry. The exporters and local traders used to receive samples of various coffees arriving from different regions. The brokers were taking advantage of the system since farmers, local suppliers, and even merchants lacked proper market information. As a result, the then-coffee trade continued to be characterized by its high degree of cost and arbitrariness, which left the trading system and, in particular, the farmers and local suppliers, at the mercy of the brokers (ECX, 2008a).

Furthermore, the country was not receiving as much foreign currency as it produced. This was primarily due to coffee quality limits, as it did not reach worldwide quality requirements. In this regard, Ethiopian coffee faced two interconnected situations: the biggest chunk of coffee did not qualify to be loaded on the ship, and if it was shipped, it could have been 'forcefully' unloaded at the 'consumer's end, similar to the coffee shipped to the USA but dumped into the sea at the New York port in the early 1950s. This has affected Ethiopian coffee marketing on the worldwide market by lowering its price and value (Girma, 2008). (see table 3)

After Ethiopian liberation from the Italian occupation, Coffee export showed a drastic change this was due to infrastructural development and the rise in coffee price. This had in turn motivated the coffee farmers and planters. But still, the quality and standardization were not well managed until the establishment of an institution that controls these issues (Dagm, 2016). (see table 4)

The issue of coffee standardization and quality assurance was implemented with the assistance and cooperation of developed nations and institutions. For instance, during the Ethio-American Point Four Agreements of 1951, Ethiopia got 500,000 birr of aid from the United States. As a result, a project that facilitated Ethiopian coffee development and processing of exported coffee under American guidance was set up. Through this project, the washed coffee hulling, modern coffee plantations and exporting quality of the coffee were started. Consequently, coffee has continued in dominating the lion's share of national export (MoCT, 1986). (see table 5)

The National Coffee Board of Ethiopia (NCBE) had established an organized central coffee market in Addis Ababa and Dire Dawa towns with its own operational rules, regulations, and modalities in which the supply chain consisted of producers like smallholders, cooperatives and commercial farms, intermediary traders including small and large product collectors or cooperatives, suppliers those who delivered coffee to auction centres and exporters and processors. In Addis Ababa and Dire Dawa, the NCB of Ethiopia also operated centers for coffee inspection, grading, and auctions. These facilities are still in use today. All coffee provided to the market for export was produced and exported under the strict supervision of the Coffee Standard and Quality Inspection and Auction Centers of Ethiopia (CSQIACE). Ethiopian coffee quality standards are divided into groups based on where the bean was grown. The greatest coffee kinds in Ethiopia are thought to be Yirga Chaffee, Harar, Wellega, Limmu, and Sidama. One of the best types of coffee is limmu, which is grown in the study area. It has a flavour that is similar to wine and spicy. The Kaffa governorate's Coffee and particularly Limmu coffee become very prominent in terms of quality and quantity in the international markets. Europe and the United States are where it is most favoured and well-liked (ECX, 2008b). Therefore, Ethiopian coffee became a highly demanded commodity in the world market and contributed to the GDP of the country (Shiferaw, 1995). Ethiopia joined the Inter-African Coffee Organization (IACO) and the International Coffee Organization (ICO) in 1960, and it was given a quota of 2.5 per cent of the world market (ECX, 2008a).

The total coffee production or yield of state farms and peasant farms was brought to the market through Ethiopian Coffee Market Corporation (ECMC). Since 1980, the corporation expanded the market centres up to villages and collected products from peasants and merchants, then supplied the collected yield to the international market.

Limmu coffee, which is predominantly produced in Limmu *awraja*, supplied a large amount of coffee to the national and international market. In fact, its supply of coffee was more than any other *awraja* in Keffa region.

It contributed to the development of the national economy to a greater extent. Consequently, President Mengistu Hailemariam (1974 – 1991) visited and encouraged coffee farmers and state farms of Limmu *awraja* in 1990 (Coffee ‘Bunnachin’ special edition magazine, 1990). (Table 6)

Peasant cooperatives for coffee cultivation and sale were founded in Limmu *awraja* districts after 1975. Informants mentioned that service cooperatives were marketing and purchasing cooperatives that handled modern inputs, credit, milling services, the selling of consumer goods, and the purchasing of peasants’ produce. Coffee farmers sold coffee to collector merchants, whole-sellers, or coffee marketing corporation agents. Both coffee collectors and whole sellers supplied coffee to the government at a fixed price. But buying from the peasants at a reduced price whereas the peasant cooperatives and state coffee production supplied to the central market and exported through the coffee development corporation. Until 1985 there were fifteen successful coffee farmer cooperatives registered in two districts of Limmu *awraja* (LPMADO, 1986). (see table 7)

A dispersed pattern of production, the difficulty of accessing coffee-growing regions, and the community's traditional system of production techniques all had an impact on the market structure in Limmu *Awraja*. The marketing of coffee in the *awraja* was grouped into three main categories. These were the primary markets, secondary markets and tertiary markets. Primary markets mean small markets usually located within a short distance from the farm plot or household. Peasants sold coffee near their houses or at the nearest minor market called *qocii* (local name) to local dealers usually at a low price. Most of the local coffee trade was in dry or not pulped berry it was simply what is called *jenfel*. This was common until the second half of the 1980s when the government began paying attention to coffee (Dagm, 2016).

Secondary markets were coffee markets staged by collectors or *sebsabis* who bought coffee from small growers or from primary market dealers. They had a license, which permits them to purchase coffee from the growers and to sell to the big dealers in Limmu *awraja*. In the late 1970s, there were about 223 dealers in the four districts of the *awraja*. Of this, about 47 per cent was found in Gomma district, 38.6 per cent in Kossa district, 9 per cent in Seka district and 5.4 per cent in Gera district. The other type of market, which mainly supported the country’s economy, was the tertiary market. Big dealers or whole sellers to the national market called *chagn* or merchants who had one holding station operated it. There were about thirteen whole sellers in the *awraja* in the late 1970s and early 1980s. All the big dealers were concentrated in a relatively well-facilitated town of Agaro or the administration capital of Limmu *awraja*, which was found in Gomma district. They had a license to purchase large quantities of coffee from the nearby small dealers (*negades*). They had a better understanding of market prospects by virtue of their direct contact with exporters (Tefaye, 1987).

High movement of coffee to the nearest markets usually occurred following the time of harvesting, depending upon the climatic conditions of the area. In other words, the flow of coffee from the collection center to the market centers was highly seasonal. Due to problems caused by the inadequacy of transport facilities between some districts and Agaro town, the big dealers did not receive all the marketable coffee from the collectors (*sebsabi*) in the *awraja*. Thus, a substantial amount of coffee was often taken to the nearby town of Jimma where big dealers called *chagn* were available. Only Gomma, Kossa and Gera districts had coffee products that went to the terminal market, through the *awraja*’s big dealers. However, some areas in Gomma sent their coffee directly to Jimma.

There was a great fluctuation in the flow of coffee to the central market. A pick was scored in 1981. However, there was soon a sharp decline was observed at the end of 1982. After 1983, there was also a sharp decline in dry-processed coffee. But a slight rise in wet-processed coffee is due to recurrent drought conditions in the country and the interest of the government in increasing the flow of coffee in wet-processed form.

The inconsistency of the supply chain to the coffee processing system and marketing had an adverse effect on the profitability of coffee farmers (see figure 5). Before 1974 coffee was collected by the representative supplier from the coffee farmers and private coffee planters and then after the pulping station it was presented to the national and international market. Most private coffee plantations had undergone the process on their own and export. During the military regime (1974-1991), the coffee processing and marketing system was fully controlled by the collectors and Ethiopian coffee marketing corporation. Finally, peasant cooperatives’ coffee, farmers’ coffee and state farms’ coffee were standardized by the state Coffee Marketing Corporation (CMC) and supplied to the national and international markets (Dagm, 2017).

## Conclusion

Agriculture is the main economic activity of more than eighty per cent of the Ethiopian population. Coffee took the lion’s share of the exported commodities and revenue of the country. *Coffea arabica*, the most significant coffee in the world, originated in Ethiopia. This coffee variety is renowned for its exceptional quality as well as its distinct fragrance, flavour, acidity, and well-balanced body. Different varieties of coffee arabica are cultivated in different parts of the country. Southwestern Ethiopia particularly the former Keffa region was well known as the cradle of coffee. Coffee production and marketing were widely practiced in the former Jimma and Limmu *awrajas* (provinces) particularly the Limmu *awraja* was the hub of coffee marketing and production since the

turn of the nineteenth century. The coffee processing and marketing system was formerly based on a traditional system. Before the introduction of the aqua pulpier, coffee farmers predominantly practice dry processing. But in the second half of twenty century, private firms like Tana and Besse were engaged in modern coffee processing and marketing to fit the international coffee quality requirements. Then following the establishment of the pulping centres in various districts farmers used wet processing methods. In this regard, after its establishment, the Ministry of Coffee and Tea Development, the Development Bank of Ethiopia and then the Coffee and Tea Board played a significant role.

Ethiopian coffee began its first journey to the international market in 1910. Abundant tons of coffee were exported to the European and American markets, especially from the Keffa region. Among the coffee-growing awrajas of Keffa region, Limmu took the majority share. However, Ethiopian coffee has faced quality, supply chain and quantity matter in the course of marketing. The government had not given due consideration to such problematic issues of coffee marketing which was the major source of foreign currency exchange and the gross domestic product of the country so far in the early twentieth century. However, in the post-1991 period, the country had fully focused on the maximization of coffee production and quality under the pillar goal of poverty reduction and enhancing development through the strategy of Agriculture Development Leads to Development (ADLI).

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### Declaration of competing interest

The authors agree there is no conflict of interest regarding this work

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