FOREST COFFEE BASELINE DATA STUDY IN 3-WOREDAS OF KAFA ZONE, SNNPR

FINAL REPORT

SEPTEMBER 2006

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ACRONYMS

ATC: Afri-Tech Consult PLC
Clean Green Coffee Beans: The term (in tabular or objective descriptions), for this study purpose, is used from marketable surplus, delivery to local or terminal markets or sites point of views. It means relative to prevailing local situations, or standard, or criteria of acceptance, after conversion of dry-coffee cherries to husk-less clean beans.
CPMS: Coffee Production Management System
CBD: Coffee Berry Disease
DFR: Draft Final Report
Forest Coffee Area: A forest tree covered land, which has unspecified coffee tree population density per unit area in it
ha: hectare, which is about 8-Timad (What 8-pairs of oxen can plow in a day, in Kafa Zone)
KFCU: Kafa Forest Coffee Farmers Cooperative Union
Kg: Kilogram,
Ferasula: A Unit of Coffee beans Weight Measurement, which equals to 17 Kg of Coffee
KAs: Kebele Administrations, Government administrative organs below a Woreda structure
KZARD: Kafa Zone Agriculture and Rural Development Department
m.a.s.l: meter above sea level
mm: millimetre
M&E: Monitoring and Evaluation
PC: Primary Cooperative
PPP: Public Private Partnership
SAN: suitable agriculture network among farmers
SAS: Sustainable Agriculture Standard, which would account for suitable (SAN)
SNNPRS: Southern Nation Nationalities Peoples Regional State
SUPAK: Sustainable Poverty Alleviation in Kafa
TOR: Terms of Reference
WARDO: Woreda Agriculture and Rural Development Office

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- Ato Zelalem Temesgen: Program Officer, PFMP, Head-office (Addis Ababa) ;
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- Ato Mesfin Teklle: FARM-Africa, Team Leader (Bonga office) ;
- Ato Solomon Bezabih : FARM-Africa, Assistant officer (Bonga office); and
- Ato Epherm Ayele: Export Manager, KFC Marketing Office (Addis Ababa).[1]

[1] On the next overleaf-page for continuation

FARM- Africa : Forest Coffee Baseline Data Study in 3-Woredas of Kafa Zone

Constituents of the Participatory Discussants and Key Interviewees

These were the major players, without whose contributions to the participatory discussions and responses to interviews, the Baseline Data Study would have been unachievable task assignment.

1. Participatory Discussants

Participatory discussion outcomes that emanated from each of the 43-Kebele Administrations' (KAs) community representative group within each site, contributed the major insight to this study. The KA-group of discussants constituted:

1.1 A knowledgeable elder from each KA-community (coffee-producer) Primary Cooperative (PC) member ;
1.2 Coffee-producer farmers , PC-members (a male and a female, wherever practicable);
1.3 A local coffee grower-trader or trader , residing in the KA , who is either a PC member (if he/she is a coffee grower) or an associate member (if he/she is not coffee producer , but only a trader); and
1.4 A Non-PC member, who is a coffee-producer farmer in the KA.

2. Key Interviewees

2.1 Woreda Agriculture and Rural Development Offices (WARDOs) Level

The participants included the next sets of respondents.

a) Gimbo WARDO:

- Ato Mengesha Gebre, Project Expert; and
- Ato Asheber Haile, Coffee Agronomist.

Gimbo Woreda Finance and Tax Assessment Office: Ato Wondimu W/Tsadike (Tax Assessment, including Land, Desk Team Leader) and his work associates

b) Decha WARDO:

- Ato Wako Buzuneh, coffee development Team Leader;
- Ato Kifle Reta, Cooperative Organizer (The Union-PC); and
- Ato Tilahun G/silassie, PC -Accounts Clerk.

c) Gewata WARDO:

- Ato Sileshi Ambaye, Agronomist; and
- Ato Tilahun Abreham, Cooperative Development Expert.

2.2 At kafa Zone (Bonga) Level

The key respondents consisted of the next management staff and/or specialists.

a) Kafa Forest Coffee Farmers Cooperative Union (FCFCU) Office (Bonga):

- Ato Ayele G/Silasse, the Union's General Manager;
- Ato Wondimagegne Tadasse, the Union's Purchase, Promotion and Documentation Head; and
- Ato Hadis Teka, Coffee Laboratory/Quality Standard Expert.

b) Kafa Zone Agriculture and Rural Development Department (KZARD):

- Ato Alemayehu Tadege, ZARD Desk Representative/ Agronomist; and
- Ato Alemayhu Alemu, Forester.

The Data Enumerators

The 20-Data Enumerators (recruited from Bonga) worked with dedication to their respective assignments, including traversing the unfriendly terrain plus rainy weather. They overcame the inconveniences in night accommodations at assignment sites in remote rural areas and made the baseline data collection a possible job. Farm Africa and Afritech Consult PLC acknowledge their contributions to the successful completion of this study.

EXECUTIVE SUMMARY

Bonga is the administrative town of Kafa Zone in SNNPRS[2]. It is located at 450 km South-West of Addis Ababa. Amongst others, the 3-project study Woredas (districts) Gimbo, Decha and Gewata are within the zone. The important natural forest resources of the area constitute coffee, timber, honey and spices. The forests have high biodiversity value for genetic resource bases.

Kafa Forest Coffee Farmers Cooperative Union (KFCU) was founded in March 2004, with a total of 3269 member farmers and local traders in 20-primary cooperatives (PCs). By 2006, the membership in the Woredas reached 5517**,** according to KFCU.

The major objectives of KFCU are to**:** integrate and improve coffee production and marketing; determine and apply the best of possible options; generate and distribute net benefits to members; and manage coffee project-funding.

The main Baseline Data Study objectives are to assess coffee area, production, as well as marketing situations in the 3-project Woredas. It aims at establishing database, regarding coffee production per PC-member farmer and potential to increase membership and produce for analytical framework, planning and development in the 3-Woredas. It would establish the number of Union member and non-member farmers and traders engaged in producing and marketing coffee in PCs linked to KFCU within the study districts.

In this study, document reviews provided general background inputs. But, the study aimed at its assigned specific terms of reference (TOR) and objectives. These made the differences between the current and the reviewed studies.

The stepping stones for the fieldwork were the Client's TOR and the pertinent materials sourced from KFCU Offices. The core substances of the study, however, came from the 43-KAs' data collections, participatory discussions of representative groupings of pertinent coffee farming and trader communities, the 3-studyWARDOs document reviews and key respondents.

The fieldwork assessment gave rise to better visions of current and potential coffee areas, produce and deliveries to the Union. There are a total of 20-PCs that are currently (2006) linked to the Union and operate in 43-KAs of the 3-study Woredas. Only 5944 (out of a total of 20,997) or about 28-percent of the coffee producers in the 43-KAs were members of the PCs-linked to the Union as at May 2006. The remaining 72 % were not yet members, but may be counted on as potentials.

There had been an increased trend in coffee deliveries to the Union's store between2004 and 2005, but a decline between 2005 and 2006. Nonetheless, farmers and subject matter experts in the project areas expressed that the quality of coffee delivered by the Union-member farmers has been better than what non-member farmers sell for the same price in the local markets. Even so, KFCU's coffee price payment to its member farmers and local traders (at KA level) didn't yet seem to have accounted for the quality differences.

[2] Southern Nations Nationalities Peoples Regional State

Despite a second payment in store for the Union member-farmers and traders, the non-quality differentiating current market price offer ,by the PCs to their members seems to be a major threat (if not timely reversed) to the Union's sustainability .

Out of 22753 total ha (see the tabulated briefs next), coffee area in the 3-studyWoredas, 5971 ha (2006) was run by member farmers of 20-PCs linked to the Union. This equals to 26% of the overall total possible candidate or potential ha. In the same year, coffee production by member and non-Union member farmers was approximated as 62954 quintals (Qs). The Union-linked PC-member farmers and traders produced 21 % of the total coffee output in 2006 harvest season. In this context, the potential to increase KFCU's membership, coffee area and production exists within the same member PCs as well (briefs next).

Recapitulations of Fieldwork Findings (May 2006) of PC-Member and Non Members' Coffee Aspects

Particulars	PC/Union-Members	Non-PC/Union Members	Total
Coffee Producer Farmers/ Traders (No.)	5944	15053	20997
Coffee Area (ha) Holding	5971	16782	22753
Coffee Production (Qs)	13269	49685	62954

The Next Step (Recommendations**)**

It seems judicious to conduct a brief market study and implement price differentials and credit systems that will account for increased supply of quality coffee to the Union. Designing and implementing performance monitoring and evaluation (M&E) systems of the Union's activities shall assist in providing data for planning, periodic reporting and timely provisions of solutions to encountered problems, if any.

In order to have a time series database, ATC suggests that KFCU's management should plan for statistical sampling of coffee production area and output of 2006/2007, by CPMS. This action can be implemented before time to capture the year's harvest season runs-out. Furthermore, it is commendable to formulate and provide training to the Union's key management staff (training trainers) first and then to member farmers and traders. This is believed to contribute to the sustainability of the Union's program.

1. INTRODUCTION

1.1. Background

The Project study area is located in Kafa Zone of SNNPRS, about 450 km South-West of Addis Ababa. The Study covers 3-major Forest Coffee producer Woredas. These are Gimbo, Decha and Gewata. The study does not include Bita, Chena and Tello Woredas in which the Union has member PCs and coffee producer farmers.

According to Sustainable Poverty Alleviation in Kafa (SUPAK) study (2004), the important natural forest products of the area include coffee, timber, honey and spices. In addition, the forests have high biodiversity value, in terms of genetic resource bases.

SUPAK stated that the Zone's highland altitude ranges between 1500 and 3000 meter above sea level (m.a.s.l.). The lowland area lies between 500 and 1500 m.a.s.l. The source document characterizes the highlands as mostly hilly and mountainous, in certain cases.

1.2 KFCU and Study Objectives

The Union was founded in March 2004, with a total of 3269 coffee-producer member farmers in 20-PCs of the study Woredas. By 2006, its membership in the 3-study Woredas reached 5517 (KFCU Marketing office, Addis Ababa). The major objectives of the Union are to integrate and improve coffee production and marketing. Its main missions are to determine and apply the best of possible options, generate and distribute net benefits to the members. In addition, the Union manages coffee project-funding.

The study objectives of KFCU are to: Assess coffee area and production in the relevant KAs, where the Union member-PCs operate. It has to establish database, including potential for analytical framework, planning and coffee development in the 3-study districts. It has to assess an average hectare of coffee holding per farmer and establish the number of Union-linked farmers engaged in coffee production and marketing in the 3-Woredas. The study is expected to compile and present the coffee baseline data by KA, PC and the study Woredas.

2. THE STUDY METHODOLOGY

The study methodology constitutes document reviews, preparation for and conducting the fieldwork, report writing and submission.

2.1 Document Reviews

A Forest Resources Survey (Sustainable Poverty Alleviation in Kafa, SUPAK, 2004) and a Rainforest Alliance (2005), a Group Certification Diagnostic Audit Report on KFCU, was reviewed at ATC office, Addis Ababa.

The major document reviews included materials from Gimbo, Decha and Gewata Woreda Agriculture and Rural Development Offices (WARDOs); Kebele Administration (KA) office records (when and wherever available); and KFCU offices in Bonga and Addis Ababa.

2.2 Preparation for Fieldwork

For purposes of data collection, questionnaires were designed. Discussions were held, prior to departure for the fieldwork, with Farm Africa, at its Country Office in Addis Ababa. Comments and reviews on TOR and questionnaires were made by the Client and accommodated by the Consultant.

2.3 The Fieldwork

The fieldwork commenced with providing training to 20-data enumerators at the project coordination office of Farm Africa, Bonga. It was presented by two ATC Consultants. Few questionnaires were also revised, on footings of the practicable situations on ground for the fieldwork. In addition, lists of PCs and KAs from the Union office in Bonga and documents from the target WARDOs were reviewed. Under the Consultants' supervision and facilitation of Farm Africa's coordination office at Bonga, the fieldwork was launched in May 2006.

a) Participatory Discussions and Data Collection

Participatory discussions with community representative groupings of coffee producers and traders, along with coffee area and production data collection from 43-KAs were conducted. Under the auspices of ATC Consultants, the enumerators carried out data validation. The participatory discussions at the KA and WARDO levels provided explanations of situations on how coffee production and marketing have been in progress. The data on coffee area and production gave rise to frameworks for the study. Partly, these availed bases on which project planning plus designing of an M& E systems can be established.

b) Interviews

Key subject matter experts (specialists) were interviewed and responses were collected from the 3-study WARDOs and the relevant Kafa Zone offices of SNNPRS. These tasks delivered, in part, clarities in report writing.

2.4 Analyses and Report Writing

Desk and fieldwork findings were combined. This was followed by report writing and submission to the Client. In the course of these actions, comments were given by the Client and the Consultant accommodated them.

3. PREVIOUS STUDY REVIEWS

3.1 SUPAK Study (2004)

The study states a range of 1500 to 2000 m.a.s.l. as the optimum altitude within which forest coffee production performs best. Nevertheless, discussions with subject-matter specialists suggest that the favourable altitude can go up to 2500m.a.s.l. In this respect, about 84 % of the altitude within Gimbo Woreda, 35 % of Decha Woreda and 96 % of Gewata areas can be considered as optimum for highland forest coffee production .This envisages that provisions for appropriate practices would be in place and other things would also remain favourable as well.

The report points-out the paucity of rainfall data and comes-up with assessments from the Zone's Water Desk. In the absence of other sources, at this juncture, a recapitulation for two of the target Woredas (Gimbo and Decha) is stated here. As per the source, the mean annual rainfall of the highland ranges between 1500 and 2000 millimetre, and was fairly distributed throughout the rainy season (commencing in April and ending in October or November). Temperature varied between 16 and 21degree centigrade, within 1500 and 2500 m.a.s.l and 11 and 16 centigrade within 2500 to 3200 m.a.s.l. The dominant soil type in the highlands is said to be Nitosol (as per the FAO taxonomy) and Alfisols and Inceptisols, according to the USDA classification. The reviewed document characterizes this soil as well-drained, slightly acidic, well-structured and reddish-clay.

The Survey report (2004) notes that there was a total of 56429 hectare of Forest Coffee in the three project study Woredas. Of this sum, 22549 ha were in Gimbo Woreda, 13472 ha in Decha and 20408 ha in Gewata. The source tried to present forest coffee area by locations (Woredas and KAs), area and definitions of forest coffee management (closed or undisturbed, disturbed or managed, unmanaged, fragmented and highly fragmented). Nonetheless, it did not provide any hint, regarding coffee population density prevailing within any of the cited coffee management type, nor production and productivity. The main reason may be sought in differences between objectives of the study at hand and that of SUPAK.

3.2 KFCU Office Materials

Materials from the Union's offices in Addis Ababa (Marketing office) and its Management office at Bonga were reviewed. According to these sources, PC membership of the Union in the 3-Woredas was 20 in 2004. The number of coffee producer-farmers, who were linked to the PCs, was 2775. In 2005, the number of PCs was the same as in 2004, but the farmers' membership increased to a total of 4145. In this instance too, data on coffee-producer member-farmers and coffee delivery were possible to refer to. However, coffee yield or corresponding area, related to production, was not available at all.

3.3 Group Certification Diagnostic Audit Report

The major objective of the Certification Audit Report (2005) was to establish the Coffee Union's capacity to promote and verify compliance with the best of practices. The main particulars encompass, amongst others, management stated in Sustainable Agriculture Standard (SAS). It states that SAS accounts for suitable agriculture network (SAN) among farmers**.** The report notes that the group certification should constitute social and environmental practices set in SAS and SAN as well as the matching crop modules. The document points out that the PC-members harvest coffee from garden and forest areas of about 164060 ha. Nonetheless, it stops short of presenting the related coffee production from and population density in this hectare.

4. COFFEE AREA AND PRODUCTION IN THE 3-STUDY WOREDAS (Fieldwork Assessments, May 2006)

4.1 Coffee Production Management System (CPMS)

Afritech Consult undertook interviews and participatory discussions (May 2006) with subject matter specialists[3] from Kafa Zone Agriculture and Rural Development Department (KZARD), Bonga. As a result, they explained that there are four CPMSs in the study woredas. These are forest coffee, semi-forest, garden, and planted CPMSs. Briefs on each are presented next.

a) Forest coffee

According to the experts , Forest Coffee production management is characterized by being very sparse in coffee tree population density, growing under heavy forest-tree sheds of varying canopy and very low in clean coffee beans yield per hectare. Free-riders from a nearby community slash undergrowth once in a year, to make way for facilitation of stripping the coffee cherries. In this process, the common practice has been to harvest the cherries whilst they are not fully mature in some cases. With the minimum effort and outlay (labor, basket and/or a bag plus a machete), the forest coffee would be free to all in that community. Therefore, those who first lay their hands on the harvest get it.

b) Semi-forest coffee

According to the specialists, semi-forest coffee production areas are inherited from ancestors in the community. Currently, the use-right (though not yet certified) belongs to those who have the claim. It has delineation of approximate bounds. The use right to the land and produce are assumed to belong to the entitled household heads. The agronomic production management cultural practices are limited to periodic in-filling of open spaces, mostly with merging forest coffee seedlings from under the coffee trees and at times with coffee berry disease (CBD) resistant cultivars from elsewhere (Melko Coffee Research Center near Jimma town, for example). Other practices include slashing of undergrowth twice in a year, in order to control weeds and make-way for harvesting of cherries. In general, coffee tree population density and yield per unit area approximate more than double that of a hectare of forest Coffee.

[3] See the acknowledged staff names and positions from KZARD

c) Garden coffee

Under garden CPMS, a Coffee farmer produces it around or near his homestead, the experts explained. Mainly due to proximity, closer attention in production management of a garden coffee seems realistic. Population density per unit area and yield are expected to be much higher than that of a Semi-forest coffee system of production. The respondents to the interviews, who were also engaged in participatory discussions with the Economist from Afri-Tech Consult PLC, explained that garden coffee, in certain instances, can be considered as approximating some of the planted coffee criteria.

d) Planted coffee

As per the participatory discussion findings from KZARD and the relevant study WARDOs, many of the smallholder (coffee grower) farmers get extension service advices from development agents and make the effort to implement relatively better cultural practices in their CPMS. These are practices from coffee nursery through picking red cherries and marketing of dried, but not yet hulled coffee beans. In this context, it was explained that the average coffee plant population density and yield per hectare would average 3,000 trees and 6 quintals (Qs) of clean coffee beans.

4.2 Production Area and Produce

As explained earlier, a combination of data sources (primary and secondary) were visited during the fieldwork. The gist of objective findings are presented in the next sets of summary tables 1 through 5.

a) Coffee production (2004-2006) in the 3-study woredas

Based on document reviews made at the WARDOs, 20- pertinent PCs in the 3-Woredas produced a total of about 96,850 quintals of clean coffee beans in 2006(Table 1). PCs in Gimbo produced around 40% of this total. Those in Decha and Gewata Woredas did about 31% and 29% of the total, respectively. The land area, on which coffee was produced during the same year, summed to about 32,156 hectare (Table 1, for details). Of this total, about 24% was in Gimbo woreda, 36% in Decha and 40% in Gewata. Only some of these farmers and local coffee traders (associates[4]) were members of the PCs linked to KFCU. In this study report, a note to note is that neither all PCs in a Woreda, nor all coffee producer farms from a KA should necessarily be assumed as Union members. Membership depends on the choice of an individual farmer or local trader.

[4] The local coffee traders are associate members without voting voice, according to the Union's Marketing Office in Addis Abba.

Table 1-: Coffee Production in the 3-Study Woredas (2004-2006), Summery

Study Woreda	Study PCs	Coffee Production (Area in ha & Produce in Quintals, Qs)					
		2004		2005		2006	
		ha	Qs	ha	Qs	ha	Qs
1. Gimbo		**8062**	**24374**	**7874**	**31721**	**7848**	**38890**
1.1	**Cheraba**	1242	3723	1242	4974	1242	6210
1.2	**Diri**	741	2519	877	3346	844	3870
1.3	**Keja Araba**	937	2808	937	3746	938	4690
1.4	**Kuti**	1081	3120	1077	4693	1079	5395
1.5	**Medfegna**	821	2460	821	3283	822	4110
1.6	**Michitti**	985	2952	665	2660	666	3330
1.7	**Yebitto**	799	2427	799	3196	800	4000
1.8	**Zingaj**	1456	4365	1456	5823	1457	7285
2.Decha		**7525**	**30175**	**7567**	**30175**	**11567**	**30179**
2.1	**Baha**	845	3551	864	3551	864	3551
2.2	**Ufa**	1428	5632	1428	5632	5428	5632
2.3	**Gedam**	155	620	156	620	156	620
2.4	**Keshi**	2233	8928	2238	8928	2238	8928
2.5	**Mankira**	1508	6031	1517	6031	1517	6035
2.6	**Gessa**	199	792	204	792	204	792
2.7	**Chiri**	1157	4621	1160	4621	1160	4621
3. Gewata		**11830**	**22649**	**12481**	**23970**	**12741**	**27776**
3.1	**Kejekatta**	4098	8522	4449	8307	4597	10007
3.2	**Kecha**	837	1757	851	1957	865	1946
3.3	**Konda**	718	1481	879	1841	819	1863
3.4	**Gojeb**	2608	4929	2651	5037	2719	5356
3.5	**Wodiyo**	3569	5960	3651	6828	3741	8604
Total (1+2+3)		**27417**	**77198**	**27922**	**85866**	**32156**	**96845**

Source: Annex One, Table 1 of this study

b) Forest and Planted Coffee

As sourced from the study WARDOs (2003), forest (forest and semi-forest) and planted (garden plus other non-forest) coffee areas in the three study-Woredas totalled to about 29474 ha. Of this figure, while around 28% was in Gimbo district, 26% and 46% were in Decha and Gewata Woredas, respectively. According to the sources, planted coffee area summed to an assessed figure of about 5035 ha, which is around 17% (relative to the total in the 3-Woredas). The average coffee-farm holding size per farmer in Gimbo Woreda was assessed at 0.68 ha. In Decha and Gewata, it was about 0.87 ha and 0.72 ha, respectively. The overall average coffee farm holding (over the 3-districts) per farmer equals to about 0.76 ha. These and more are summarized in Table 2 below.

Table 2: Forest & Planted Coffee Area and Production in the 3-Study Woredas (2003)

Name of Woredas and PCs		Coffee Production , An Assessment (ha)			Total No. of Producer Farmers	Average. Ha per Farmer
Study Woreda	PCs	Forest CF	Planted CF	Total		
1.Gimbo		**6481**	**3772**	**8246**	**5441**	**0.68**
1.1	**Cheraba**	711	531	1242	715	0.75
1.2	**Diri**	192	708	900	1105	0.57
1.3	**Keja Araba**	527	410	937	518	0.65
1.4	**Kuti**	636	1	1076	703	0.6
1.5	**Medfegna**	72	77	850	279	0.32
1.6	**Michitti**	560	426	986	955	0.94
1.7	**Yebitto**	460	339	799	469	0.71
1.8	**Zingaj**	4034	580	1456	697	0.86
2. Decha		**7294**	**328**	**7622**	**2859**	**6.87**
2.1	**Baha**	733	210	943	892	1.61
2.2	**Ufa**	1378	25	1403	156	0.05
2.3	**Gedam**	149	7	156	196	0.4
2.4	**Keshi**	2214	25	2239	540	1.4
2.5	**Mankira**	1486	31	1517	514	1.6
2.6	**Gessa**	184	20	204	283	0.5
2.7	**Chiri**	1150	10	1160	278	0.5
3. Gewata		**12,671**	**9,35**	**13,606**	**2,295**	**0.72**
3.1	**Kejekatta**	4322	275	4597	668	0.833
3.2	**Kecha**	803	62	865	158	0.392
3.3	**Konda**	1409	275	1684	691	1.524
3.4	**Gojeb**	2583	136	2719	340	0.400
3.5	**Wodiyo**	3554	197	3741	438	0.427
Total (1+2+3)	**20**	**26446**	**5035**	**29474**	**10595**	**0.76**

Source: Annex One, Table 2 of this Study

4. 3 Union (KFCU) Membership and Coffee Production (Fieldwork Findings)

a) PCs' and Farmers' Membership

Table 3 presents the Union member PCs and number of member farmers and/ or local private traders. According to the Union's Marketing office in Addis Ababa, these local traders are associate members without voting says. The farmers and local traders can generally be assumed to live in the same KA. On bases of sources from KFCU and fieldwork corroborations, there are a total of 20-PCs that operate in 43 KAs of the 3-study Woredas. Whilst the PCs are members of the Union, the farmers and / or traders are PC-members. Even so, only some of the coffee producer farmers and local traders in the KAs were members of one of the PCs, depending on proximity. At the time of fieldwork in May 2006, there were 8-Union member PCs, operating in 21KAs of Gimbo Woreda, 7-member PCs, operating in 14-KAs of Decha and 5-member PCs, operating in 8-KAs of Gewata Woreda.

Table 3: The Coffee Union-PC Member Farmers/Traders in the 3-Study Woredas Fieldwork (May 2006) Findings

Sr. No.	Study Woredas	Union Member PCs (Names)	The Union-PC Members by Gender (Male , M / Female , F)			Coffee Area (ha) & Production in Quintals ,Qs for 2006 harvest Season		
			M	F	Total	ha	Produce (Qs)	
							Total	yield/ha
1.	**GIMBO**		**1283**	**287**	**1574**	**2817**	**9827**	**3.5**
		Cheraba	123	17	140	742	1154	
		Diri	123	12	135	24	24	
		Keja Araba	204	12	216	1310	2426	
		Kuti	144	22	170	196	814	
		Medfegna	188	104	292	117	247	
		Michitti	226	44	270	263	507	
		Yebitto	163	21	184	15	38	
		Zingaj	112	55	167	150	4617	
2.	**DECHA**		**3189**	**565**	**3754**	**2558**	**1793**	**0.7**
		Baha	536	71	607	431	1032	
		Ufa	144	20	164	140	40	
		Gedam	368	147	515	173	143	
		Keshi	603	31	634	738	288	
		Mankira	1079	77	1156	533	241	
		Gessa	126	55	181	28	13	
		Chiri	333	164	497	515	36	
3.	**GEWATA**		**538**	**78**	**616**	**596**	**1649**	**2.8**
		Kejekatta	154	30	184	104	1274	
		Kecha	20	-	20	80	16	
		Konda	83	-	83	163	144	
		Gojeb	131	1	132	200	48	
		Wodiyo	150	47	197	49	167	
Total	**3**	**20**	**5010**	**930**	**5944**	**5971**	**13269**	**2.2**

Source: Annex One, Table 3 of this Study/ May 2006 Fieldwork Database in the 3-Woredas

In 2006, the number of coffee-producer farmers and/or private traders, who were members of the 20-PCs, totalled 1574 in Gimbo, 3754 and 616 in Decha and Gewata Woredas, respectively. The figures add-up to 5944 members for the study Woredas. Of this sum, about 16 % were female and the rest male.

A total of about 13269 quintals (Qs) of relatively clean coffee beans were assessed as to have been produced by the PC- member farmers, from 5971 ha, in 2006. An approximate assumption is that the PC-members in Gimbo produced around 53% of the total and those in Decha and Gewata, 19% and 28%, respectively. In terms of productivity, Gimbo Woreda seems to stand first (about 3.5 Qs per ha), followed by Gewata (about 2.8 Qs per ha) and then Decha (about 0.7 Qs per ha). Coffee production productivity over the three study Woredas was approximated at an average of around 2.2 Qs per hectare of coffee producing land.

At the time of fieldwork in Gimbo Woreda (May 2006), no coffee producer farmers and traders were found to be members of the Union in Shomba Kichib KA. Similarly, the data enumerators found no farmers or traders as being member of the Union in Shomba Kichib KA in the same Woreda. Also, no registries of the needed data were available to them in Hamani and Bita Chega KAs. In the case of Yabi Kicha KA, only two members were found to be linked to Kuti PC (for these and more of other details, see Annex one, Table 3).These situations were explicit to Gimbo Woreda.

b) Coffee Production

As indicated in Table 3, during the harvest season of 2006, members-linked to the Union and relevant PCs produced an overall total of about 13269 quintals of clean coffee beans. Of this total, Gimbo produced around 9827quintals, coffee grower members of the Union in Decha and Gewata Woreda produced about 1793 and 1649 quintals, respectively. The corresponding hectares, on which the coffee was grown, were around 2817 ha in Gimbo, 2558 ha in Decha and 596 ha in Gewata Woreda.

4.4 Potential for More Membership and Coffee Supplies

In the course of undertaking the fieldwork , number of coffee producer and / or traders , who were not linked to PCs that were Union members were also gathered from registries availed by the relevant KAs. The number of the coffee grower farmers and traders not linked to the Union member PCs totalled 11313 in Gimbo, 812 in Decha and 928 in Gewata Woreda. These figures total to 13053 potential coffee producer and/or traders.

Produce from a total coffee area of about 16782 ha, was assessed at about 49685 Qs of clean coffee beans. Of these total area and production, 14204 ha and 43477 Qs were in Gimbo Woreda, 525 ha and 2447 Qs in Decha and 2053 ha and 3761 Qs of relatively clean coffee in Gewata Woreda.

The entire 13053 farmers and/ or traders may desire the possibility of joining the link to the Coffee Union. Of this total potential membership, Gimbo Woreda possesses about 87 %. In terms of coffee area, the Woreda commands about 85 % of the total potential that the three districts jointly hold in KFCU's coffee production. Similarly, Gimbo Woreda alone holds around 88 % of the total potential for increasing (Table 4, for details) deliverable Coffee to the Union.

Table 4: Farmers and Traders that Were Not Members of the 20-PCs Linked to KFCU (May 2006)

The Study Woreda	Name of Coffee Producer Study PCs	Non –Union Member Coffee Farmers/ Traders (No.)			2006 Coffee Area (ha) & Production (Qs)	
		M	F	Total	Ha	Qs
1. Gimbo		**8496**	**2817**	**11313**	**14204**	**43477**
1.1	Kuti	694	311	960	552	533
1.2	Cheraba	2016	714	2730	3984	10858
1.3	Medfegna	4613	1452	6065	8197	22472
1.4	Diri	28	119	147	24	24
1.5	Keja Araba	340	81	421	142	133
1.6	Yeyibitto	84	30	114	37	20
1.7	Zingaj	480	86	566	424	225
1.8	Michity	241	24	265	844	9212
2. Decha		**650**	**162**	**812**	**525**	**2447**
2.1	Beha	366	11	377	291	1000
2.2	Oufa	100	20	120	117	30
2.3	Gedam	184	131	315	117	1417
3. Gewata		**697**	**231**	**928**	**2053**	**3761**
3.1	KejeKatta	171	34	205	105	1290
3.2	Kecha	95	50	145	715	1210
3.3	Konda	244	34	278	179	709
3.4	Kuti	60	90	150	959	230
3. 5	Wodiyo	127	23	150	95	322
Total	**16**	**9843**	**3210**	**13053**	**16782**	**49685**

Source: Annex One, Table 4.

Be it in membership or in coffee area and produce, Gimbo Woreda seems to offer the greatest potential. As set in Table 3, the Woreda also ranks first in coffee production productivity, which is coffee land yield per ha. Therefore, the contents of Table 4 can serve as indications of potentials for increasing Union-membership and coffee production in the 3-Woredas.

4.5 KFCU Membership and Coffee Delivery: The Actual Trend

a) Coffee-Producer farmers and Traders Membership

Data from the Union's Addis Ababa marketing and PPP/GTZ offices (September 2006-revisited) are summarized in table 5. The Table does not incorporate membership and coffee deliveries from Bita, Chena and Tello Woredas in which KFCU also operates. During the 2004-2006 periods, the Union's membership in the 3-study Woredas grew from 3269 to 5517, respectively, in absolute terms. It indicates about 69 % growth, in relative terms. It implies that there was a continuous growth trend in membership of farmers and traders of KFCU in the 3-study Woredas.

Table 5. : Membership of Primary Cooperatives (2004-2006), KFCU (Kafa Zone, SNNPRS)

No.	The Study Woredas	The Number Of Study PCs	PC Member Farmers (No.) and Delivery (to Addis Ababa KFCU) of Clean Green-Coffee Beans , CF (kg)											
			2004				2005				2006			
			M	F	Total	CF Delivery (kg)	M	F	Total	CF Delivery (kg)	M	F	Total	CF Delivery (Kg)
1.	Gimbo	8	848	383	1231	70987	1140	473	1613	83967	1247	406	1653	63754
2.	Decha	7	1241	102	1343	38981	1774	313	2087	75488	2934	415	3349	35487
3.	Gewata	5	489	206	695	20315	654	212	866	23240	412	103	515	29359
Total	**3**	**20**	**2578**	**691**	**3269**	**130283**	**3568**	**998**	**4566**	**182695**	**4593**	**924**	**5517**	**128600**

Source: KFCFCU Marketing /PPP/GTZ office, Addis Ababa

b) Coffee Delivery to KFCU

In 2004, the Union-member PCs in the 3-study Woredas (KFCU operates in 3-other Woredas within Kafa Zone) delivered to the marketing office in Addis Ababa about 130-tones of green coffee beans for export and domestic sales. In 2005 and 2006, the delivery was around 183 and 129 tons of green coffee beans, respectively. The figures for coffee delivery to the marketing office indicate an increased trend between year 2004 and 2005, but a decline between 2005 and 2006. As per fieldwork participatory discussions at all levels, year 2004 and 2006 were confirmed to be good in coffee production and harvest. However, an indication of the coffee delivery, by KFCU-member PCs in year 2006, doesn't tally with it. For example, between years 2005 and 2006, membership of the farmers and traders grew by about 21 %, but there was a coffee delivery decline by around 30 %, relative to coffee delivery in 2005. Even if one compares the delivery of 2004 and 2006, there was a marginal decline of about 1 % in 2006. However, there was an increase in coffee production in each of the 3-study Woredas, as elaborated on in earlier presentations.

4.6 KFCU Marketing: An Overview

a)The Marketing Channel

By choice, a coffee farmer or local trader in a KA can be a member of a PC that is linked to the Union. The Union-member PCs collect coffee beans (dry-cherries) from member farmers and traders in KAs of the 3-study Woreds. They deliver it to Kafa Lem Share Plc in Bonga. A separately designated store is set-aside at this location for the Union's coffee purpose. KFCU office at Bonga attends to what should be done.

The coffee would be dry-processed, graded and what passes the set of criteria at that level would be transported to a store in Addis Ababa. The Union's Marketing office follows it up, in either exporting and/or domestic marking (whatever fails to pass for export) of the produce.

b) Local Coffee Pricing

The quality of supplied coffee to the Union-PCs, by member farmers and traders has been rated better, relative to the non-members' supply to the local markets in the target Woredas. Nonetheless, the Union-member PCs pay prevailing local market price per unit, usually a ferasula (17 Kg), to member farmers and traders, as per participatory discussions with farmers and local traders at KA-levels. That is regardless of the fact that the coffee delivery to the PCs, by members are widely known to be better than that of none-members, who sell their coffee to other competitors in the local markets. A second payment is in store for the coffee Union-members and traders. The 2006 profit-sharing scheme in place was noted to be 70% of the net profit to the member farmers and traders and 30% to the Union.

c) Drawbacks in the Union's Coffee Marketing

From the fieldwork (May 2006), an understanding reached was that there had been no price differentials for quality. At KA level, both strip-harvested (sold to other competitors of the Union-linked PCs in the market) and selectively-picked red coffee cherries (in their dried form) sold to the Union-linked PCs command the same locally prevailing market price. Hence, there exists a greener-grass that attracts Union-PC member farmers and traders to cross the line and supply their coffee elsewhere. This occurs in spite of the expected second payment, by the Union.

It seems that the member farmers might have preference of the saying that “a bird in the hand is worth two in the bushes “. This finding was arrived at from the participatory discussions held during the field visit. This had been confirmed in all of the 3-study Woredas.In these discussions, it was explained that some private competitors in the market practice even forward trading in coffee buying as well.

In the above scheme, other competitors offer purchase of coffee cherries while they are green and on trees. This is a form of an agreement that avails cash to smallholder coffee farmers at a critical time of a year, when they would be in dire need of cash. It works as a substitute for micro-finance or advance payment. A commendation in order is to avail credit (through the banking system) to the Union members, on basis of the farmers’ real need for cash. The loan should be extended to these farmers without any other strings attached to it, but what the banking system calls for.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

a) Document Reviews

SUPAK study report (2004) presents coffee area data on the then existing KAs, amongst other things. However, it gives no hint on coffee population density and yield, for either forest or planted coffee. That is no quantitative difference was made between the population density of other trees and coffee plants in a forest, and the latter's yield per unit of a forest land. Similarly, the Rain Forest Alliance report (2005) and KFCU-materials provide PC-membership and coffee deliveries to the Union (2004-2006), but not coffee production area and corresponding produce.

There are other important topics in the referred to documents. Even then, neither exclusive coffee production area nor corresponding production aspects can be drawn from the reports. Contents and substances in an assignment depend, largely, on its terms of reference (TOR) and study objectives. Even so, the documents have made valuable contributions to this study background. In addition, no periodic monitoring and evaluation (M &E) reports were at disposal, for reference, in the course of conducting this study.

b) Fieldwork

The Study Database

The database input collections were sourced from the earlier mentioned relevant setups, representative groupings of participatory discussants at the 43-KAs and key respondents at the various echelons of the 3-study Woredas. This was called and planned for and practicably available data, under the prevailing circumstances, were collected. These influenced results and made differences between what were desired and achieved in this study.

In few instances, registries of the required data were not available at KA level. For example, few of the KAs in Gimbo Woreda were mentioned as cases in point. Nevertheless, participatory discussions were successfully held at all of the relevant echelons. These are expected to, in part, bridge the gaps. Furthermore, coffee area and production data assessments were provided by the 3-study WARDOs. The consultants (from ATC) did put great emphasis on the importance of reliable data and the enumerators' role in the collection process. This was stressed during the provision of training to the 20-data enumerators. It was followed by further infield demonstrations and answering of arising queries through accompanying supervisions. However, the gathered data cannot be any better than what the sources offered.

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Union Membership

Table 6 summarizes the comparable particulars of KFCU-source data and that of the study findings, within the context of the 3-study Woredas. The number of member PCs to the Union totalled 20, in both cases. The fieldwork provided the number of KAs (43) in which the 20-study PCs operated. Coffee producer-farmers and traders membership to the PCs numbered 5944, in the study finding and 5517 as sourced from KFCU offices (as in May 2006, in both cases, but re-examined in September as well). The difference (about 8 %) might have arisen due to either variation in reporting error or time lag.

Table 6: Union / PC Membership and Coffee Delivery (May 2006): The Findings

Sr. No.	Study Woreda	ATC Fieldwork Findings (May 2006)						KFCU-Office (A.A.) , May 2006 and Revisited in September 2006			
		Membership Linked to 20 -PCs			Coffee production (Qs) by Member Farmers			Membership Linked to 20 -PCs			Coffee Delivery (Qs) to the Union
		KFCU-Membership			Coffee ha and Produce						
						Produce (Qs)[5]		M	F	Total	
		M	F	Total	ha	Total	Yield/ha				
1.	**Gimbo**	1283	287	1574	2817	9827	3.5	1247	406	1653	63754
2.	**Decha**	3189	565	3754	2558	1793	0.7	2934	415	3349	35487
3.	**Gewata**	538	78	616	596	1649	2.8	412	103	515	29359
	Total	**5010**	**930**	**5944**	**5971**	**13269**	**2.2**	**4593**	**924**	**5517**	**128600**

Coffee Delivery (2006)

On basis of data from the Union's Marketing Office in Addis Ababa (May and revised in September 2006), the delivered quantum ofclean-green coffee increased between2004 and 2005, but went down from about 183 tones in 2005 to 129 in 2006. The 3-study Woredas jointly produced about 13269 quintals (Table 6) of clean-green coffee beans, assuming the processing rate at Lem Plant, Bonga (ATC fieldwork). From the participatory discussions during the field assignment, an understanding was that marketable surplus can be assessed at 70 percent of production. This amounts to about 9288 quintals or around 929 tones of coffee.

The above stated quantum may be taken as what could have been delivered to the Union's store in Lem Coffee Processing plant site. Expecting about 44 percent of it to pass as clean beans, one may consider 409 tones to reach Addis Ababa. Comparatively, only 129 tones of clean-green coffee beans arrived at the terminal market in Addis Ababa . The latter quantity is only about 32 percent of what could have been transpoted to KFCU's store in AddisAbaba .

Therefore , dispite the good coffee harvest in 2006, the decling trend in coffee supply to KFCU should be a serious concern. This calles for the Union and its other major

[5] Equivalents to the 70 % Marketable surplus and 44 % of this surplus assumed as the possible deliverable to the marketing set-up in Addis Ababa.

stakeholders to look for and provide appropriate remedies to local market coffee pricing and other matters , in order to increase incentives and supply to the Union .

Results from the database findings indicate differences between the actual and the consultant's field assessments in terms of farmers' membership and the possible figures in the quantity of coffee delivery to the Union. The fieldwork participatory discussions explain that other smallholder coffee farmers (non-Union members) supply strip-harvested and dried cherries to other local buyers in the local markets and get similar ongoing price per ferasula (17 Kg) of dried coffee cherry beans. When compared with the red cherries-picked, dried and sold to the Union-PCs by its members. If so, a most likely major reason for the declining trend in coffee delivery in 2006 seems to be attributed to the uncompetitive price offer of KFCU's member PCs to the producer farmers and traders at KA level.

Potentials for More KFCU Membership and Coffee Supplies

A total of 20-PCs were (May 2006) KFCU members. They operate in 43-KAs of the 3-study Woredas. Only 5944 (out of a total of 20,997) or about 28 percent of the coffee producers in these KAs were linked to the Union-member PCs. The reaming 72 % were not yet members, but may be considered as potentials.

Out of 22753 ha total coffee area in the 3-study Woredas, 5971 ha (2006) was run by member farmers of the 20-PCs linked to the Union. This is only 26% of the total possible potential ha. In the same year, coffee production by member and non-member farmers was approximated at 62954 quintals. The PC-member farmers and traders produced 21 % of the total coffee harvest season. Hence, the potential to increase KFCU's membership, coffee area and produce exists even within the same member PCs.

It appears that the member farmers' and traders' expectations for a second payment offer of the non-quality differentiating market price has not been effective to increase delivery of their coffee produce to KFCU at KA level . A scenario is that the farmers and traders had been valuing their coffee prices above and over the PCs' offer. This seems to be a major threat (if not timely reversed) to the Union's sustainability. Provided that remedies to the price differentiation calls will properly be answered, the potentials (as set in the next table and descriptions) can be translated to reality. This in turn, if judiciously planned and implemented, can reverse the decline in coffee delivery trend.

Table 7: Recapitulations of Fieldwork Findings PC and Non-PC/Union Membership and Coffee Particulars

Particulars	PC/Union-Members	Non-PC/Union Members	Total
Coffee Producer Farmers/ Traders (No.)	5944	15053	20997
Coffee Area (ha) Holding	5971	16782	22753
Coffee Production (Qs)	13269	49685	62954

c) Coffee-Producer farmers & Traders Coffee delivery and Membership: The Actual Trend

During the 2004-2006 periods, the Union's membership grew from 3269 to 5517 in absolute terms. It indicates about 69 % growth, in relative terms. Nevertheless, the PC-member farmers and traders' realized coffee delivery to Addis Ababa markets were 130 tones in 2004 and 183 and 129 tones of clean-green coffee beans in year 2005 and 2006, respectively. Relatively speaking, there was an increase of about 41 % in clean green coffee beans delivery KFCU's store in Addiss Ababa in 2005, when compared to that of 2004. Between 2005 and 2006, however, there was a 42 % decline in the delivery to the same location.

Year 2004 and 2006 were confirmed to be very favourable seasons for bumper coffee crop production and harvest. Even so, coffee delivery, by KFCU-member PCs in year 2006 doesn't seem to have responded to the abundance in the production aspect. This relays a serious warning message for concern and call for appropriate solutions to the problem. In these analyses of clean coffee delivery, there are a number of aspects to qualify. Coffee delivery has to be considered at two major locations. These are at Lem Coffee Processing Plant (Bonga town) and in Addis Ababa KFCU-store. At both locations, it should be assumed that relatively clean coffee beans that did not pass some of the grading criteria would be sold at the prevailing local market, for marginal prices.

An Overview of the Union's Local Coffee Pricing

Coffee delivery to the PCs, by the members was widely known to be better than that of none-members, who sell their coffee to other competitors in the market. Envisaging second payment by Union-member farmers and traders did not appear to generate incentives and more coffee supplies.

Drawbacks in the Union's Coffee Marketing

Both strip-harvested coffee (by non-linked farmers to the Union) and selectively-picked red coffee bean cherries (in their dried form), by member farmers to the Union, command the same locally prevailing market price. Hence, there exists a better incentive that attracts Union-PC member farmers and traders to supply their coffee elsewhere. It was also understood that some private competitors, in the market, practice forward trading in coffee buying.

5.2 Recommendations (The Next Step)

It seems judicious to conduct a brief market study and implement price differentials for quality coffee supplies (deliveries) by Union-PC member farmers and local traders operating at KA levels. Furthermore, the Union should attend to the farmers' credit requirements through the banking system. In this respect, the Union members should get short to medium-term credit, on basis of their real need for funding and bank requirements, without any other strings attached.

KFCU needs to design and implement performance monitoring and evaluation (M&E) systems. This helps to timely track, get feedbacks and provide solutions to shortcomings relating to the Union's activities in time.

To stand on firmer ground, regarding coffee area and produce of its member farmers and local traders, ATC suggests that the Union need to plan for and carry out statistical sampling of coffee production area and output (by CPMS) , before time to capture the harvest of 2006/2007 runs-out.

Alongside the preceding actions, it seems proper to formulate and provide training to the Union's Key management staff (as trainers) first and then to selected member farmers and/or traders. This is expected to build their capacities. It can and leads to their effective participation in fieldwork activities of the Union. It also promotes facilitations for sustainable handovers when program supports terminate. These commendations, if prudently planed and genuinely implemented can change the status of KFCU in many more aspects for good, in addition to supplying quality and increased volume of coffee to the Union.

ANNEX ONE:

Coffee Production in the 3- study Woredas

Table 1: Coffee Production (ha & Quintals, Qs) in the 3-Study woredas (2004-2006)

Table1.1. Gimbo Woreda Coffee Production, (2004-2006)

Sr.No.	Name of Coffee Producer PCs & KAs			Coffee Production					
				2004		2005		2006	
	PCs		KAs	ha	Qs	ha	Qs	ha	Qs
1.	Cheraba	1.1	Cheraba	708	2124	708	2839	708	3540
		1.2	Shorori	534	1599	534	2135	534	2670
			Sub-Total	**1242**	**3723**	**1242**	**4974**	**1242**	**6210**
2.	Diri	2.1	Gewa	184	552	184	737	185	925
		2.2	Shomba Kichib	56	167	56	223	56	280
		2.3	Baha	59	477	195	639	160	450
		2.4	Beyemo	169	507	169	649	170	850
		2.5	Hamani	272	816	272	1098	273	1365
			Sub-Total	**740**	**2519**	**876**	**3346**	**844**	**3870**
3.	Keja Araba	3.1	Kayakelo	396	1188	396	1584	397	1985
		3.2	Keja Araba	541	1620	541	2162	541	2705
			Sub-Total	**937**	**2808**	**937**	**3746**	**938**	**4690**
4.	Kuti	4.1	Kuti	193	770	194	1155	193	965
		4.2	Tula	376	1117	372	1489	373	1865
		4.3	Yabi-Kicha	353	1056	353	1410	353	1765
		4.4	Yabikicha-Wolaga	159	177	159	639	160	800
			Sub-Total	**1081**	**3120**	**1078**	**4693**	**1079**	**5395**
5.	Medfegna	5.1	Hibret	702	2106	702	2809	703	3515
		5.2	Efoudo	1198	354	119	474	119	595
			Sub-Total	**1900**	**2460**	**821**	**3283**	**822**	**4110**
6.	Michitti	6.1	Michitti	525	1572	521	2098	525	2625
		6.2	Woka Araba	461	1380	141	562	141	705
			Sub-Total	**986**	**2952**	**662**	**2660**	**666**	**3330**
7.	Yebitto	7.1	Bita Chega	279	867	279	1116	280	1400
		7.2	Yebitto	520	1560	520	2080	520	2600
			Sub-Total	**799**	**2427**	**799**	**3196**	**800**	**4000**
8.	Zingaj	8.1	Tega	679	2037	679	2717	680	3400
		8.2	Zingaj	777	2328	777	3106	777	3885
	Sub-Total			**1456**	**4365**	**1456**	**5823**	**1457**	**7285**
	Total		**21**	**9,141**	**24,374**	**7,874**	**31,721**	**7,848**	**38,890**

Source: Gimbo WARDO

Table1.2. Decha Woreda Coffee Production (2004-2006)

Sr. No.	Name of PCs and KAs			Coffee Production, by Year					
				2004		2005		2006	
	PCs		KAs	ha	Qs	ha	Qs	ha	Qs
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Baha	1.1	Baha	8	30	10	30	10	30
		1.2	Awasho Olla	477	1909	477	1909	477	1909
		1.3	Erimo	74	300	80	300	80	300
		1.4	Awasho Qofira	286	1312	297	1312	297	1312
			Sub-total	**845**	**3551**	**864**	**3551**	**864**	**3551**
2	Ufa	2.1	Ufa	1428	5632	1428	5632	5428	5632
3	Gedam	3.1	Gedam	155	620	156	620	156	620
		3.2	Yirgalem						
			Sub-total	**155**	**620**	**156**	**620**	**156**	**620**
4	Keshi	4.1	Keshi	838	3352	843	3352	843	3352
		4.2	Yaha Checha	1395	5576	1395	5576	1395	5576
			Sub-total	**2233**	**8928**	**2238**	**8928**	**2238**	**8928**
5	Mankira	5.1	Mankira	332	1328	337	1328	337	1328
		5.2	Yanga	258	1031	260	1031	260	1031
		5.3	Budi	918	3672	920	3672	920	3676
			Sub-total	**1508**	**6031**	**1517**	**6031**	**1517**	**6035**
6	Gessa	6.1	Gessa	199	792	204	792	204	792
7	Chiri	7.1	Chiri	1157	4621	1160	4621	1160	4621
			Total	**7,525**	**30,175**	**7,567**	**30,175**	**11,567**	**30,179**

Source: Decha WARDO

Table 1. 3: Gewata Woreda Coffee Production (2004-2006)

Sr. No.	Name of PCs and KAs			Coffee Production, by Year					
				2004		2005		2006	
	PCs		KAs	ha	Qs	ha	Qs	ha	Qs
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Kejekatta	1.1	Kasha	3118	6699	3453	6215	3535	7777
		1.2	Gawa Mecha	980	1823	996	2092	1062	2230
			Sub-total	**4098**	**8522**	**4449**	**8307**	**4597**	**10007**
2	Kecha	2.1	Duma	837	1757	851	1957	865	1946
3	Konda	3.1	Konda	366	714	403	846	408	942
		3.2	Masha Malo	140	301	177	425	180	441
		3.3	Chebero	212	466	229	570	231	480
			Sub-total	**718**	**1481**	**809**	**1841**	**819**	**1863**
4	Gojeb	4.1	Medabo	2608	4929	2651	5037	2719	5356
5	Wodiyo	5.1	Wodiyo	3569	5960	3651	6828	3741	8604
			Total	**11,830**	**22,649**	**12,411**	**23,970**	**12,741**	**2,7776**

Source: Gewata WARDO

Table 2 Forest & Plantation Coffee Production in the 3-Study Woredas (2003)

Table 2.1. Forest & Plantation Coffee Production in Gimbo Woreda

Name of PCs and KAs				Coffee Production , An Assessment (ha)			Total No. of Producer Farmers	Average Ha Per Farmer
Sr. No	PCs		KAs	Forest Coffee	Planted Coffee	Total		
(1)	(2)		(3)	(4)	(5)		(6)	(7)
1.	Cheraba			711	531	1242	715	0.75
2.	Diri	2.1	Gewa	36	148	184	197	0.75
		2.2	Shonba Kichib	38	148	186	197	0.75
		2.3	Beha	17	72	89	230	0.31
		2.4	Beyemo	55	114	169	269	0.42
		2.5	Hamani	46	226	272	212	**0.6**
			Sub-Total	**192**	**708**	**900**	**1105**	**0.57**
3.	Keja Araba	3.1	Kayakelo	199	197	396	230	0.86
		3.2	Keja Araba	328	213	541	288	0.43
			Sub-Total	**527**	**410**	**937**	**518**	**0.65**
4.	Kuti	4.1	Kuti	36	156	192	240	0.64
		4.2	tula	231	142	3	221	0.64
		4.3	Yabi-Kicha	245	108	353	152	0.71
		4.4	Yabikukucha-Wikaga	124	35	159	90	0.39
			Sub-Total	**636**	**441**	**1077**	**703**	**0.6**
5.	Medfegna	5.1	Hibret	28	702	730	165	0.12
		5.2	Efoudo	44	75	119	114	0.52
			Sub-Total	**72**	**777**	**149**	**279**	**0.32**
6.	Michitti	6.1	Michitti	312	213	525	707	0.92
		6.2	Woka Arabq	248	213	461	248	0.96
			Sub-Total	**560**	**426**	**986**	**955**	**0.94**
7.	Yebitto	7.1	Bita Chega	158	121	279	183	0.66
		7.2	Yebitto	302	218	520	286	0.76
			Sub-Total	**460**	**339**	**799**	**469**	**0.71**
8.	Zingaj	8.1	Tega	396	283	679	311	0.91
	Total	8.2	Aingaj	480	297	777	386	0.78
			Sub-Total	**4034**	**580**	**1456**	**697**	**0.86**
			Total	**6481**	**4212**	**7546**	**5441**	**5.4**

Source: Gimbo WARDO

Table 2.2. Forest & Plantation Coffee Production in Decha Woreda

Sr. No.	Name of PCs and KAs			Coffee Production (ha)			Total No. of Producer Farmers	Average ha per Farmer
	PCs		KAs	Forest Coffee	Planted Coffee	Total		
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)
1	**Baha**	**1.1**	**Baha**	17	72	89	230	0.31
		1.2	**awashoOlla**	466	11	477	210	0.5
		1.3	**Erimo**	7	8	80	254	0.3
		1.4	**Awasgi Qifura**	178	119	297	198	0.5
			Sub- Total	**668**	**210**	**943**	**892**	**1.61**
2	**Ufa**	**2.1**	**Ufa**	1378	25	**1403**	156	0.05
3	**Gedam**	**3.1**	**Gedam**	149	7	156	196	0.4
		3.2	**Yirgalem**					
			Sub- Total	149	7	156	196	0.4
4	**Keshi**	**4.1**	**Keshi**	823	21	844	**354**	0.6
		4.2	**yaha Ceecha**	1391	4	1395	**186**	0.8
			Sub- Total	**2214**	**25**	**2239**	**540**	**1.4**
5	**Mankira**	**5.1**	**Mankira**	317	20	337	**194**	0.5
		5.2	**Yanga**	257	3	260	**154**	0.5
		5.3	**Budi**	912	8	920	**166**	0.6
			Sub- Total	**1486**	**31**	**1517**	**514**	**1.6**
6	**Gessa**	**6.1**	**Gessa**	184	20	204	283	0.5
7	**Chiri**	**7.1**	**Chiri**	1150	10	1160	278	0.5
			Total	**7229**	**328**	**7622**	**2859**	**5.56**

Source: Decha WARDO

Table 2.3. Forest & Plantation Coffee Production in Gewata Woreda

Sr. No.	Name of PCs and KAs			Coffee Production , An Assessment (ha)			Total No. of Producer Farmers	Average ha Holding per Coffee-Producer Farmer
	PCs		KAs	Forest Coffee	Planted Coffee	Total		
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(9)
1	**Kejekatta**	**1.1**	**Kasha**	3410	125	3535	359	0.348
		1.2	**Gawa mecha**	912	150	1062	309	0.485
			Sub- Total	**4322**	**275**	**4597**	**668**	**0.833**
2	**Kecha**		**Duma**	803	62	**865**	158	0.392
3	**Konda**	**3.1**	**Kinda**	314	94	408	210	0.448
		3.2	**Mesha maio**	84	96	80	186	0.516
		3.3	**Cheebero**	208	23	231	137	0.168
			Sub- Total	**1409**	**275**	**1584**	**691**	**1.524**
4	**Gojeb**	**4.1**	**Medabo**	2583	136	2719	340	0.400
5	**Wodiyo**	**5.1**	**Widiyo**	3554	197	3741	438	0.427
			Total	**12,671**	**9,35**	**13,606**	**2,295**	**3.576**

Source: Gewata WARDO

Table 3: KFCU-PC Coffee Grower-Member Farmers/Traders, in the 3-Study Woredas (May 2006, Fieldwork)

Table 3.1: GIMBO WOREDA KFCU-PC Membership & Coffee Production

	Name of PCs and KAs			PC-Member Farmers /Traders			Coffee Production (2006)	
Sr. No.	PCs		KAs	M	F	Total	ha	Qs
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)
1.	**Cheraba**	**1.1**	**Cheraba**	93	17	110	660	891
		1.2	**Shorori**	30	-	30	82	263
			Sub-Total	**123**	**17**	**140**	**742**	**1154**
2.	**Diri**	**2.1**	**Gewa**	3	-	3	15	20
		2.2	**Shonba Kichib**[1]	-	-	-	-	-
		2.3	**Baha**	13	-	13	9	4
		2.4	**Beyemo**[2]	107	12	119	-	-
		2.5	**Hamani**[3]	-	-	-	-	-
			Sub-Total	**123**	**12**	**135**	**24**	**24**
3.	**Keja Araba**	**3.1**	**Kayakelo**	15	1	16	446	222
		3.2	**Keja Araba**	189	11	200	864	2203
			Sub-Total	**204**	**12**	**216**	**1310**	**2426**
4.	**Kuti**	**4.1**	**Kuti**	104	8	112	84	514
		4.2	**Tula**	38	13	51	110	255
		4.3	**Yabi-Kicha**[4]	1	1	2	-	-
		4.4	**Yabikicha-Wolaga**	1	-	1	1.5	47
			Sub-Total	**144**	**22**	**170**	**196**	**814**
5.	**Medfegna**	**5.1**	**Hibret**	55	45	100	25	100
		5.2	**Ufoudo**	133	59	192	92	147
			Sub-Total	**188**	**104**	**292**	**117**	**247**
6.	**Michitti**	**6.1**	**Michitti**	185	37	222	220	307
		6.2	**Woka Araba**	41	7	48	43	200
			Sub-Total	**226**	**44**	**270**	**263**	**507**
7.	**Yebitto**	**7.1**	**Bita Chega**[5]	-	-	-	-	-
		7.2	**Yebitto**	163	21	184	15	38
			Sub-Total			184	15	38
8.	**Zingaj**	**8.1**	**Tega**	42	5	47	98	417
		8.2	**Zingaj**	70	50	120	52	50
			Total	**1283**	**287**	**1574**	**2817**	**5677**

Source : May 2006 Fieldwork Database

[1] No CF -Grows farmers that are members of the Union in the K

[2] Source: records of the pertinent PCS/ks in Gimbo Woreda

[3] No registry of the needed data in the k

[4] Members are private traders that deliver CF from Non-PC farmers

[5] Coffee producer k, but without a farmer member in the K.

Table 3.2: DECHA WOREDA KFCU-PC Membership & Coffee Production

Sr. No.	Name of PCs and KAs			PC-member Farmers /Traders			Coffee Production (in 2006)	
	PCs		KAs	M	F	Total	Ha	Qs
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)
1	Baha	1.1	Baha Gona	45	35	80	125	82
		1.2	Awasho Olla	168	8	176	238	784
		1.3	Urimo	190	22	212	6	8
		1.4	Awasho Qofira	133	6	139	62	159
			Sub-total	**536**	**71**	**607**	**431**	**1032**
2	Ufa	2.1	Ufa	144	20	164	140	40
3	Gedam	3.1	Gedam	200	59	259	96	12
		3.2	Yirgalem	168	88	256	77	131
			Sub-total	**368**	**147**	**515**	**173**	**143**
4	Keshi	4.1	Keshi	402	18	420	453	214
		4.2	Yaha Checha	201	13	214	285	74
			Sub-total	**603**	**31**	**634**	**738**	**288**
5	Mankira	5.1	Mankira	383	29	412	240	164
		5.2	Yanga	342	21	363	152	112
		5.3	Budi	354	27	381	141	129
			Sub-total	**1079**	**77**	**1153**	**533**	**241**
6	Gessa	6.1	Gessa	126	55	181	28	13
7	Chiri	7.1	Chiri	333	164	497	515	36
			Total	**3,189**	**5,65**	**3,751**	**2,558**	**1,793**

Source: I bid, Decha Woreda

Table 3. 3: GEWATA WOREDA KFCU-PC Membership & Coffee Production

Sr. No.	Name of PCs and KAs			PC-Member Farmers/ Traders			Coffee Production (2006)	
	PCs		KAs	M	F	Total	Ha	Qs
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)
1	Kejekatta	1.1	Kasha	131	30	161	100	1250
		1.2	Gawa Mecha	23	-	23	4	23
			Sub-total	**154**	**30**	**184**	**104**	**1274**
2	Kecha	2.1	Duma	20	-	20	80	16
3	Konda	3.1	Konda	29	-	29	41	68
		3.2	Masha Malo	34	-	34	32	50
		3.3	Chebero	20	-	20	10	10
			Sub-total	**83**	**-**	**83**	**163**	**144**
4	Gojeb	4.1	Medabo	131	1	132	200	48
5	Wodiyo	5.1	Wodiyo	150	47	197	49	167
			Total	**775**	**78**	**596**	**516**	**1633**

Source: I bid, Gewata Woreda

Table 4: NON - KFCFU Member Farmers, Coffee Area &Production, by PCs & KAs
Table 4.1: Gimbo Worda

Sr. No.	Name of Coffee Producer PCs and KAs		Household Members Family			Non - KFCU/PC Member Farmers/Traders (No.)			Coffee Area (ha) & Production (Qs)	
	PCs	KAs	M	F	Total	M	F	Total	Ha	Qs
1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	Kuti	Kuti	1333	1255	2588	220	208	428	---	----
		Tula	480	665	1145	190	39	229	458	458
		Yabekich Wolaga	635	635	1270	219	35	254	-	---
		Yabekich	342	426	768	65	29	94	94	75
		Sub-Total	**2790**	**2981**	**5771**	**694**	**311**	**1005**	**552**	**533**
2	Cheraba	Cheraba	821	529	1350	314	46	360	1440	4896
		Shorori	378	529	907	314	46	360	1440	4896
		Sub-Total	**1199**	**1058**	**2700**	**628**	**92**	**720**	**2880**	**9792**
3	Medfegna	Hibret	815	700	1515	303	10	313	78	315
		Efoudo	769	487	1256	278	14	292	151	441
		Sub-Total	**1584**	**1187**	**2771**	**581**	**24**	**605**	**229**	**786**
4	Diri	Gawa	-	-	-	3	-	3	15	20
		Shombakichib	-	-	-	-	-	-	-	-
		Boqua	-	-	-	13	-	13	9	4
		Beyemo	-	-	107	12	119	131	-	-
		Sub-Total	-	-	107	28	119	147	24	24
5	Keja Araba	Kaya kello	568	348	916	200	17	217	91	111
		Qeja Araba	140	64	204	140	64	204	51	22
		Sub-Total	708	412	1120	340	81	421	142	133
6	Yeyibitto	Bitta Chegga	144	216	386	36	0	36	37	20
		Yeyibitto	58	20	78	48	30	78	-	
		Sub-Total	202	236	446	84	30	114	37	20
7	Zingaj	Zingaj	877	498	1275	255	11	266	384	184
		Tega	200	340	540	225	75	300	40	41
		Sub-Total	1077	838	1815	480	86	566	424	225
8	Michity	Michiti	713	300	1013	192	11	203	770	9212
		Woka Araba	600	500	1110	49	13	62	74	-
		Sub Total	**1313**	**800**	**2123**	**241**	**24**	**265**	**844**	**9212**
		Total	**8873**	**7512**	**16385**	**3076**	**767**	**3843**	**5132**	**20695**

Source: Ibid, Gimbo Woreda

Table 4.2. Decha Woreda

Sr. No.	Name of PCs and Ks		Household Family Members			Non- KFCU Member Farmers			Coffee Production (2006)	
	PCs	KAs	M	F	Total	M	F	Total	ha	Qs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	Beha	Beha	140	180	320	20	0	20	5	20
		Awasho ola	285	362	647	115	1	116	238	783
		Earmo	188	200	388	140	10	150	4	0.5
		Awasho Kofila	504	644	1148	91	0	91	44	196
		Sub-Total	**1117**	**1386**	**2503**	**366**	**11**	**377**	**291**	**1000**
2	Oufa	Oufa	970	1000	1970	100	20	120	117	30
3	Gedam	Geadam	382	320	702	73	44	117	43	526
		Yirgalem	440	352	792	111	87	198	74	891
		Sub-Total.	**822**	**672**	**1494**	**184**	**131**	**315**	**117**	**1417**
		TOTAL	**2909**	**3058**	**5967**	**650**	**162**	**812**	**525**	**2447**

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Source: Ibid. Decha Woreda

Table 4.3. GEWATA WORDA

Sr. No.	Name of PCs and KAs		Household Family Members			Non- KFCU Member Farmers			Coffee Production (2006)	
	PCs	KAs	M	F	Total	M	F	Total	ha	Qs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	KejeKatta	Kasha	497	498	995	136	29	165	100	1250
		Gewa Mecha	155	85	240	35	5	40	5	40
		Sub-Total	**652**	**583**	**1235**	**171**	**34**	**205**	**105**	**1290**
2	Kecha	Duma	590	375	965	95	50	145	715	1210
3	Konda	Konda	276	5	281	148	27	175	108	250
		Musha Malo	190	268	458	16	2	18	28	31
		Chebero	200	295	495	80	5	85	42.5	428
		Sub-Total	**666**	**568**	**1234**	**244**	**34**	**278**	**179**	**709**
4.	Kuti	Kuti	70	80	150	60	90	150	959	230
5.	Wodiyo	Wodiyo	950	1134	2084	127	23	150	94.75	322
		TOTAL	**2928**	**2740**	**5668**	**697**	**231**	**928**	**2053**	**3761**

Source: Ibid. Gewata Woreda

Table 5. : Membership of the Primary Cooperatives & Coffee Deliveries (2004-2006), KFCU (Kafa Zone, SNNPRS)

No.	The Study Woreda	Name of Primary Cooperatives (Study PCs)	PC-Member Farmers (No.) and Delivery of Clean-Green Coffee Beans (kg)											
			2004				2005				2006			
			M	F	Total	Coffee Delivery (kg)	M	F	Total	Coffee Delivery (kg)	M	F	Total	Coffee Delivery (Kg)
1.	**Gimbo**	Chereba	130	51	181	5403	130	51	181	3957	165	30	195	5447
		Yeyibito	68	31	99	7140	137	51	188	10455	170	18	188	9940
		Dire	168	115	283	6960	168	115	283	14360	229	82	311	5779
		Michti	169	24	193	22329	201	15	216	19340	156	37	193	8555
		Keja Araba	162	5	167	10455	194	10	204	16985	147	3	150	3915
		Medfegna	117	53	170	6885	131	53	184	2940	198	66	264	3040
		Zenjaje	34	104	138	11815	117	104	221	10915	120	96	216	13913
		Kuti	-----	-----	-----	-----	62	74	136	5015	62	74	136	13165
		Sub Total	**848**	**383**	**1231**	**70987**	**1140**	**473**	**1613**	**83967**	**1247**	**406**	**1653**	**63754**
2.	**Decha**	Gedam	257	7	264	6525	257	7	264	8722	420	63	483	3216
		Mankira	163	8	171	11119	142	52	194	24205	297	75	372	11495
		Keshe	265	1	266	6612	265	1	266	11310	425	55	480	1435
		Becha	-----	-----	-----	7565	188	124	312	9265	870	93	963	458
		Aufa	-----	-----	-----	1655	195	13	208	9605	195	13	208	4122
		Gesa	-----	-----	-----	765	171	41	212	1190	171	41	212	3570
		Chiri	556	86	642	4740	556	75	631	11191	556	75	631	11191
		Sub Total	**1241**	**102**	**1343**	**38981**	**1774**	**313**	**2087**	**75488**	**2934**	**415**	**3349**	**35487**
3.	**Gewata**	Gojeb	205	99	304	3145	205	99	304	1615	129	1	130	1473
		Wediyu	92	89	181	8585	100	90	190	9895	66	94	160	10128
		Keje Kata	192	18	210	6120	192	18	210	4590	80	2	82	3417
		Kecha	-----	-----	-----	1020	82	2	84	5270	62	3	65	8400
		Konde	-----	-----	-----	1445	75	3	78	1870	75	3	78	5941
		Sub Total	**489**	**206**	**695**	**20315**	**654**	**212**	**866**	**23240**	**412**	**103**	**515**	**29359**
Total	**3**	**20**	**2578**	**691**	**3269**	**130283**	**3568**	**998**	**4566**	**182695**	**4593**	**924**	**5517**	**128600**

Source: KFCFCU, Marketing office, Addis Ababa

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ANNEX TWO: Briefs on Coffee Marketing in the 3-Study Woredas

Briefs on Coffee Marketing in the 3-Study Woredas

Kaffa Zone is one of the few places of the country where large area of forest coffee exist. It is also the birth place of coffee. Most of the Coffee Berry Disease resistant varieties originate here. In fact some of the varieties like Geisha were smuggled out of the country and are in use in Eastern Africa, Central and Southern America.As in other forest coffee areas, encroachment, to forest is a problem in Kaffa Zone too. Knowing the difficulty to deal with encroachers, the Zonal Ministry of Agriculture and Rural development has come up with a compromise solution to the problem by recognizing the encroachers (illegal sealers) in the forest areas with a condition to refrain from tampering with the forest but to live on the forest product like coffee, cardamom, "tasma mar" honey and the like. No assessment of this venture has been made available to the study team, but if it works it will be a means to count on in tacking deforestation.

The coffee taste of he Zone has been found quite different from the taste, of coffee in the rest of the country. This unique taste of Kaffa coffee is identified as the taste of ripe banana. We have learnt that this taste has found admires in the Coffee Cooperative Union (KFCCU) to capitalize on this unique taste of reap the benefits earned without any competitor for the foreseeable future.

Coffee Processing and Quality

Every effort has to be exerted at the farm level in order to improve the quality of coffee. Failing to do so at this stage means the possibility of curing quality. Thus it should be required to pick red cherries and to immediately dry it on beds preferably covered with mesh wire. This helps the coffee to be free of undesirable tastes which it picks if dried on the ground. After uniformly drying the coffee it has to be stored until sold. As coffee picks the smell of any thing it comes into contact, every effort has to be made to keep away from contamination. All that can be done at the later stages with repent to quality coffee is to prevent from further damage and to upgrade the quality by mixing it with other coffees considered superior in quality.

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Table 1: Coffee caring and Marketing

Were da	Method of picking coffee Cherries				Method of coffee drying			Form of selling coffee		Coffee markets		Buyer in the markets			Farmers selling coffee			Farmers preferring pc to sell coffee		Farmers earning enough from coffee		Average % of coffee consumption
	Red only	stripping	From Ground	All three	Mesh wire	On raaised bed	Ground	Dried cherry	Red cherry	yes	No	Pc	Trader	Both	Pc	Trader	Both	yes	No	yes	No	
Gimbo	4	7	-	10	7	13	1	21	-	10	11	-	-	-	4	13	4	11	10	1	20	35
Decha	10	4	-	-	3	11	-	13	1	11	3	-	-	11	4	1	8	14	-	7	7	28
Gewata	3	1	-	4	-	7	1	8	-	6	2	3	3	2	3	4	-	3	5	2	6	35
Total	**17**	**12**	**-**	**14**	**10**	**31**	**2**	**42**	**1**	**27**	**16**	**3**	**3**	**13**	**11**	**18**	**12**	**28**	**15**	**10**	**33**	**32**

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An attempt has been made to collect coffee market information in the Kebeles where the study was conducted. Data on coffee caring and marketing are presented in Table …..Picking red cherries only was reported in 17 Ks out of 43 Ks as a major practice, 12 Ks reported picking by stripping (red and green cherries together) and 14 Ks using all methods. In fact the practices are a mix of these three methods in each Kebele even though one method is practiced more frequently than others. This indicates the need for educating farmers, especially those who deliver coffee to cooperatives. Otherwise overseas buyers who are offering attractive prices will shun.

The methods of coffee drying need also improvement. According to the table, out of 43 Kebeles, 31 Kebeles reported using traditional method of drying, like raised beds, using local materials, 10 Kebeles drying on meshwire and 2 Kebeles drying on the ground. As in the method of picking, in the method of drying as well, no uniform method of drying prevails in any Kebele. The traditional means can be improved by using local materials which allow ventilation. It every effort has to be exerted as is at this stage coffee gets contaminated by taking the taste of anything it comes into contact.

The study shows that nearly all farmers sell coffee in the form of dry cherries. Forty two Kebeles reported so and only one Kebele reported selling red cherries. Given the prevailing methods of coffee picking and drying, it is hard to determine the quality of coffee in the form of dry cherry. Whatever the farmers deliver, the cooperatives deliver to the Union. It is the Union which faces the quality problem, even though it shifts back later on the effect of the problem in terms of paying less to the cooperatives.

The Union receives coffee from its member cooperatives at Kaffa-Lem Coffee Milling Industry. Though the Mill is owned by a private processor, the Union has been given a separate store to keep its coffee. This arrangement prevents the possibility of

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mixing coffee of the Union with the coffee of private traders who also have their coffees processed at the Mill. The Union has a trained coffee taster at the Mill who is responsible for receiving coffee by the cooperatives. However, he does neither visual coffee inspection nor tasting at this stage.

The coffee of the Union is processed in and hand-picked by ladies at the Mill. The coffee taster makes visual inspection of coffee before it is dispatched to Addis Ababa. We have learnt from the coffee taster that the Union has been donated coffee tasting equipment but they have not been in use so far because of lack of laboratory space.

We learnt from the Zonal Agricultural Office that Ministry of Agriculture and Rural Development is in the process or regionalizing coffee quality inspection services and Bonga has been selected as one of thowe sites. The purpose of establishing the regional coffee tasting sites is to determine the quality of coffee while the coffee is in the region and to screen out those coffees below standard from being dispatched to the Addis Ababa market. In the long-run, however, these sites will have coffee auction centers attached to them so that coffee can be dispatched directly to the port without going through the Addis Ababa coffee tasting and auction center.

The Union needs to adjust its operation to this change when it becomes operational in a couple of years. The role of the coffee taster of the Union will have to shift to inspection of coffee delivered by the cooperatives in an effort to ensure delivery of good quality coffee to the Union.

Coffee Marketing

The study has attempted to collect information on interior coffee marketing. In Annex Two, Table 1, out of 43 Kebeles in the 3 Weredas, 27 Kebeles have coffee markets while 16 ks have no coffee market at all. Out of the 19 Kebeles which have reported about coffee buyers, 3 ks reported PC and 3ks Traders as buyers. 13 Ks reported Pc’s and Traders as buyers. From this information it is clear that PC's and private traders are in competition for purchasing coffee from farmers.

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The other information collected in connection with coffee marketing is to whom farmers sell their coffee. Farmers in 18 Kebeles out of 41ks have reported selling coffee to private traders, in 11 Kebeles to PC's and in 12ks to both of them .Thus private traders have the upper hand over the PC's in purchasing coffee from farmers. As the PC's have started to purchase coffee with the marketing support of the Union very recently, it is not a surprise to learn the leading role of private traders in the interior coffee markets.

Though the cooperatives have the price incentive to give to farmers over traders to win the competition, however, since giving way to cooperatives is a threat to their survival, traders will use every direct and indirect means to maintain their share in the business.

Efforts have been made also to know the intension of farmers to whom they prefer to sell their coffee. In 28 ks out of 43, i.e., 65% prefer to sell to Pc's while in 15 ks they prefer to sell to private traders. The reason given for preferring Pc's is the high price they pay to farmers who deliver coffee to them. Especially the timing of the second payment is said to be very useful because it is made during the rainy season at a time when the farmers are very much in short of cash. It appears this mode of payment saves farmers from borrowing money from local money lenders at exorbitant rates of interest.

Information on the extent of earning from coffee was sought from Kebeles. Farmers in ten out of 43 Ks are reported not earning enough from coffee sales. They seek additional income form other source of which crop agriculture is the main one.

Coffee consumption is not only reported in nearly all Kebeles but the percentage consumed is comparable to the national rate of coffee consumption. Even though this has a negative impact in the coffee delivery to Pc's, it is an alternative outlet of coffee for farmers and it is a buffer in the event of price slide in the international markets.

Looking Ahead

The Kaffa Forest Coffee Cooperatives Union, unlike the other three Unions in the country, is exclusively engaged in marketing of sun dried coffee. Sun dried coffee is traded for a longer period of time during a year as compared to three months in the case of wet processed coffee .This exposes sun dried coffee more to the vagaries of the

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international coffee markets. Fortunately now, because of the relatively small quantity of coffee exported by the Union, all of its coffee can go to the niche market, earning premium prices. But, as the volume of coffee increases, some of its coffee will have to be sold as a main stream coffee at lower prices than in the niche markets. This will definitely lower earnings of the Union and in turn the amount it will pay back to farmers through their PC's. Thus caution need to be exercised by the Union in the quantity and quality of coffee it purchases. It is therefore necessary to develop mechanisms in the chain of operation that will contain any adverse outcome in the future.

PC's obtain their working capital from bank on interest. In order to put them in a viable financial position, they need to work out how much they should pay as first payment to farmers. We have learnt the Union has given some advice as to how much PC's should pay as first payment. But what we have learnt is PC's first payment in consistent. As said above, when situations change, PC's might not be able to pay to farmers the amounts they are paying now. This situation is unlikely in the near future but it is better to put the PC's on a firm ground in the event of any unexpected outcome.

In the case of the Unions which deal with wet processed coffee, the basis for calculating the first payment is based on the price obtainable from the sale of sun dried coffee. As the wet processed coffee fetches generally higher price than sun dried, the PC's are confident to a greater extent to cover their first payments. This safety net is not available to the PC's of Kafa Forest Coffee farmers Cooperatives Union. Thus the Union needs to conduct a study on how much should PC's pay as first payment.

As we have tried to explain, the Union cannot be certain of the quality of coffee Pc's deliver, in view of the insufficient care farmers are taking to coffee quality. This is an important issue for the Union to tackle as early as possible. Fortunately, the Union has a coffee quality inspector in place and his role would be significant if he inspects the coffee Pc's deliver to the Union. To implement this role of the coffee taster without educating PC's would be a disadvantage to the PC's as they would have made the first payments while delivering coffee to the Union and any rejection of their coffee on quality ground would mean jeopardizing their intermediary role. The system of quality checking needs to start soon.

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The Union taking into consideration the lack of capacity of the Pc's should start using its coffee taster to educate the PC's and through them the farmers. As this task can not be tackled by one quality inspector alone, the Union should seek the services of quality inspectors from the Central Liquoring unit in Addis Ababa. The Unit though can not provide the service that would be requested full time, its qualified liquorers together with the Union Liquorer, can conduct trainings to selected extension agents who would follow up the quality of coffee as the farmers pick and process their coffee. In the long- run, however, the PC's will have to have their own quality inspectors as the volume of coffee they transact would justify.

Once the smooth functioning between the Union and PC's are ascertained, the Union will have to devote all of its efforts to promotion of coffee in the international markets. So far it has one advantage over the other Unions in dealing exclusively with forest coffee. The Union should exert all its efforts to maximize their share in this niche markets. This means catering to the needs of its customers in Europe. As its coffee is also organic by default, it has a double advantage in the niche markets.

Recently the Union has obtained the certification of Fair Trade. This will further boost its export. However, niche markets are by their nature limited in size of the coffee they can absorb. It is necessary for the Union to keep on exploiting market opportunities.

As indicated above the Ministry of Agriculture and Rural Development is in the process of reforming the coffee marketing system in the country. The task of regionalizing coffee quality tasting is in the process of implementation. But the regionalizing of the coffee auction will take some time to implement as quite a number of facilities required are yet to be in place. Part of this auction reform is to introduce coffee sale by forward delivery auction. This auction provides a means to sell coffee before it is harvested Buyers also would like to buy coffee ahead of harvest if they are assured of d elivery of coffee. KFCFCU can minimize the price risk it is exposed to in its marketing of sun dried coffee by partiapating in the forward delivery auction.

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ANNEX THREE: TOR

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TOR

Focus of the study

Through participatory discussions between Farm Africa and Afritech Consult PLC, it was jointly agreed that the project study should (instead of sample coffee plot-tree counts and yield estimates, which cannot be currently practicable) focus on:

- Coffee production and Areas (ha) .
- Number of Coffee Farm holders, by gender, and family size.
- Average Coffee Farm holdings and Marketing (through PCs, covering both current and potential possible Members to join KFCU voluntarily, instead of only those that are currently linked to the UNION, as set in the previous TOR.
- All kebeles that grow coffee in the three woredas, instead of only those that are presently linked to KFCU, as set in the original TOR.
- Avail Database, related to the Forest Coffee for analytical framework and planning to develop the Forest Coffee in the 3-major Forest Coffee producer and Marketing woredas.

According to the original and reviewed TOR agreement, each KA has a register of names by farm hhs and/or private entrepreneurs. The Client (Farm Africa) wants the Consultant (Afritech Consult PLC) to design what would be best to collect the required sets of data (as listed next) from registers available at each of the Coffee grower-KAs in the 3-target Woredas.

The Farm Data Details, from the "Forest Coffee Cooperatives, which are currently" and/or potentially would be linked with KFCU will constitute:

- Name and sex of hh heads.
- Cooperative membership
- % of coffee sold (indicating trend)
- % of coffee sold to cooperative (indicating trend)
- % of coffee sold to private trade, Name (indicating trend)
- Annual tax paid (may serve as proxy indicator for coffee-production)
- Trends of the Forest coffee development (expansion/reduction by KAs and Woredas).
- Assessments of Plot size (Ha), number of Plots or coffee-bushes, whichever can be found applicable.
- Source of the planting material (forest/improved).
- Estimated annual production.

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- Management (with the defined forest coffee management categories).
- Approximate age of the coffee plans (estimate).

Focus of the Study Objectives and Methodology

a) The main project study objectives are to:
    - Assess and tabulate ha and Forest Coffee production per annum, by PCs and or Kebeles (ks) that are current and potential members of KFCU.
    - Avail Database, related to the Forest Coffee in the 3-major Forest Coffee producer and Marketing Woredas.
    - Assess and establish the number of Farm households (hhs) involved in harvesting (collecting) and marketing Forest Coffee.

The preceding reviews are sourced from:

- Forest Coffee Cooperatives, which are currently linked with KFCU.
- The Forest area coffee inventory prepared by SUPAK project.
- Rainforest Alliance Group Certification Diagnostic Audit Repot (Kafa Forest Coffee Cooperative Union.

b).The proposed Methodology:

- Document Reviews.
- Interviews and participatory discussions (k staff, Woreda Agriculture & Rural Development Office, WARDO, subject-matter Team Leaders & Experts and knowledgeable community representatives, thorough group participatory discussions and some (sample verifications with cooperative office records).
- Interviewing private traders, other key-relevant informants and group-discussions, as found necessary. The TOR notes that hh data need to be compiled at K level and validated in discussions with the relevant key informants and record checking.

Expected Output (on basis of the Client's Terms of Reference (TOR)

Amongst other things, the TOR states that the study methodology, KA and Woreda level compilation, and analyses and submission of the Databases as the envisaged outputs.

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ANNEX FOUR: References (Major Documents)

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