



Systematic Literature Review on Marketing Problems: the case of Coffee Farmer

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Abstract:

The aim of this study is to identifying and minimizing the effect of factors affect farmers coffee marketing. In order to summarize the review work, five steps described by Al-Tabbaa *et al* ,(2019) used. Such as:-Framing questions for review, Identify relevant work, selecting sample, data coding and synthesis, summarizing the evidence and interpreting the findings. Results of the review showed that most of the factors that affect coffee marketing of farmers indicate that the problem was worldwide.

Key words: the marketing, problems of, coffee farmers

I. Introduction

Coffee was first discovered in Ethiopia in the ninth century by a goat herder named Kaldi and which was spread in several countries of Africa, Asia, and Latin America (Lokker, 2013; Smith, 1985). The green coffee is the second-largest traded commodity in the world next only to petroleum and its products. Coffee beans are the seeds of a tropical, evergreen tree with the family name of Rubiaceae. The three main commercial types of coffee are Robusta, Arabica, and Liberia. Coffee Arabica is considered more suitable for drinking than Robusta coffee. Robusta tends to be bitter and has fewer flavors and a better body than Arabica. Because of this Arabica coffee produced more in the world. Robusta is less risk to disease than Arabica and can be cultivated in environments where Arabica does not succeed (William, 1922). Coffee is one of the most important tropical commodities, produced and exports more than 70 countries and provides economic benefits at each step of the global value chain that links growers to consumers. Coffee has grown mostly by small farmers. Round the world, 25 million small producers depend on coffee for a living worldwide (Workie, 2015; UNACT, 2019).

Governmental and non- governmental organization working to solve marketing problems of the farmers; but still the problems not yet solved. As literature indicated, that the main problems coffee farmers faced insufficient and inadequate physical infrastructure, lack of basic education and marketing knowledge, lack of organizational support, lack of marketing information scarcity of farm land, marketing channel transparency are some of the problems frequently seen in different studies.

Accordingly, we conducted a systematic literature review analyse 95 the research outputs produced during the period 2009-2018 that have focused on studying marketing problems of coffee farmers. Specifically, we aimed to contribute to a greater understanding of bottle neck for coffee production, processing and marketing addressed in the literature.

II. Need of the Study

Issue of marketing problems of coffee farmers assumes important due to its large number of livelihood dependency, large number of farmers engaged in coffee farming and less incentive for farmers. their income is highly insecure because of fluctuating international coffee price, long supply chain and global coffee market is dominated by roasters and exporters, it is buyers market. In coffee value chain more than 80% of benefit obtained in secondary processing; the profit back to farmers from the end user is less than 10% (Beshah, et al., 2013). Due to limited capacity and capabilities to handle marketing problems, coffee farmers have limited or no incentive for productivity enhancement, innovation and for participation in niche markets. Most of farmers sell green coffee at the farm gate. Production structure is unsustainable due to high labour costs. To alleviate the marketing problems of coffee farmers, government and development partners are working together, but the problems are not yet solved.

Several studies have been conducted on the coffee sector that can inform interventions design. For instance, Chalwe (2011); Jari & Fraser (2009); Alemayehu *et.al.*, (2016); Amamo, (2015) investigated insufficient physical infrastructure; Amamo (2014) identified scarcity of farm land; Jari & Fraser (2009); Amamo (2015) & Nigusie Legese (2013); identified lack of basic education and marketing knowledge; Gebrekidan (2017) & Jari & Fraser (2009) analyzed lack of organizational support; Gebrekidan (2017) investigated lack of marketing information; Gachena & Kebebew (2014); investigated lack of credit/finance accessibility; Amamo (2014); Gebrekidan (2017) & Jari & Fraser (2009) identified the lack of transportation; Nigusie Legese (2013), Gachena & Kebebew (2014) and Kebebew *et.al.*, (2012) examined unfair share of profits among marketing channels.

III. Objective of the study

This paper is aimed to review research conducted on marketing problems of coffee farmers in coffee producing countries.

- To identify the most frequent factors that affect coffee farmers marketing
- To identify the similarity or difference among findings of studies.
- To enhance government and development partners' attention to solve marketing problems of coffee farmers.

IV. Techniques of the study

To summarize the review work five steps described by Al-Tabbaa *et al.*, (2019) used. Such as: -Framing questions for review, Identify relevant work, selecting sample, data coding and synthesis, summarizing the evidence and interpreting the findings.

1. What are the main challenges that affect farmers' coffee marketing?
2. Previous research work conducted by scholars', regarding the marketing problems of coffee farmers included in this study.
3. To include previous studies in this study, it should be, address the marketing problems of coffee farmers and outcomes of the study.
4. Data coding and Synthesis: - from selected research work factors and outcomes of the study coding and tabulating by using the Excel spread sheet, to identify the similarities and difference between studies outcomes.
5. Summarizing the evidence: - based on the data synthesized summarize the evidence and interpreting findings.

V. Review of Literature

Major studies conducted by different researchers related to coffee marketing problems discussed below.

Jari & Fraser (2009) showed that market information, expertise on grades and standards, contractual agreements, social capital, market infrastructure, group participation and tradition significantly influence household marketing. Nkonge (2011), indicates fast changing consumer tastes and preferences, economic uncertainty and declining terms of trade at the international level, magnitude of marketing costs, limited access to marketing information, price volatility, poor government funding of farmers and poor infrastructure affecting coffee transportation to the factories, deteriorating quality and reliability of supply of the Kenyan coffee, increased competition at the world coffee market, cost of certification, globalization. Imbalance between supply and demand, low literacy levels among farmers, poorly designed coffee market liberalization reforms, taxation at the local and national level and lack of policies affect small farmers. Roy (2012), showed, inefficient supply chain, lack of proper storage facilities and presence of multi-level intermediaries between farmers and direct consumers affect both farmers and consumers price.

Shumeta *et al.* (2012) showed that price setting is largely determined by buyers and the margin analysis indicated exporters take the largest profit margin in the coffee market chain. Price, educational level of households and transportation cost were found to have a significant impact on the supply of the coffee in the study area. Gathura (2013), identified that, the marketing factors, financials human and physical resources and government policies highly affect coffee production. Jari and Fraser (2013) identified access to marketing information, experts visit, road, capital, price and contract agreement and demography informations were the main variables studied. The result of the data shows that technological growth and institutional development that affect such variables can help farmers can not individually compete against comerial forms in market. Niguse (2013) showed Land Holding, Family Size positivity associated and Education Level negatively associated with overall performance.

Gachena, D. and Kebebew, S. (2014)¹ indicated a strongly Oligopolstic market structure existetd in the zone. The study also identified that shortage of capital, coffee quality problems and illegal traders indicated among the main problems of coffe marketing in the study area. Gachena, D. and Kebebew, S. (2014)² identified marketing costs, margin and benefit analysis imply that coffee collectors incurred the lowest, coffee producers bear the highest cost followed by wholesalers. We can understand from this, coffee trading is highly profitable at the wholesale level.

Alemayehu *et al* (2015) identified as socio-economic characteristics and infra-structure, distance from home to market transportation cost affect marketing activities. Large family sizes perform better than small family size and adding value. Gebrekidan (2017)analyzed high transaction cost, lack of financial credit, absence of control on unlicensed traders, government support related, unavailability of transport services and high transport shortage, lack of trust in marketing, lack of awareness market actors lack of adequate storage facilities at appropriate locations, and lack of market information identified. Jibril *et al* (2016) identified the number of extension visit has positive and significant effect on the preference of formal red coffee markets and transport cost to the main market has negative and significant impact on formal traders' preference relative to informal buyers. Distance to cooperatives has negative and significant effect on the preference of farmers for cooperatives and number of visit has negative and significant effect on formal dry coffee markets and brokers and positive and significant effect on cooperatives as compared to informal markets.

Omer *et al*,(2016)showed lack of marketing facilities, shortage of land, poor road infrastructural problems prevalence of diseases that influence farmer's market performances and also traders business were lack of road, lack of transportation, and unlicensed traders and the overall storage of coffee supply. T. Duguma (2017) indicates the major factors affecting the quality of coffee in the study area mainly coffee stem and berry borer pet and moisture stress. This is because of climate change in the study area and poor management practice of farmers used mainly contributed to the prevalence of the diseases. Pasala (2017) study trends in Paddy production in Andhra Pradesh from 1994/95- 2013/14 found that area, production and productivity have decreased during the study period. Change in area and productivity both responsible for low production. Gv & Falk, (2018) confirms that there is positive relation between the average plots size and the agricultural productivity from cultivation. Aristizabal (2018), **indicates** lack of knowledge on coffee berry borer (CBB) management, shortage of field workers, high cost of labour and supplies are key challenges faced by coffee growers.

Summarizing of the Evidence

To this study forty one related studies were reviewed and thirty variables were seen in the studies see table 1. (To detail information find appendix A all about reviewed literature)

Table1. Variables seen on reviewed literature

1	Age of household	16	Lack of capital/access to credit
2	Educational level of household	17	Lobar cost
3	Family size of household	18	Marketing channels share & transparency
4	Marital status of household	19	Farm experience of household
5	Gender of house hold	20	Presence of illegal traders and lack of control
6	Income of house hold	21	Relationship with traders
7	Coffee selling time	22	Transportation cost
8	Coffee price setting	23	Dominance of intermediates in value chain
9	Cost of margin	24	Land scarcity
10	Experts visit	25	Lack of government support
11	Marketing information	26	The quality improvement practices
12	Infrastructure	27	Market instability
13	Ability to add value	28	Delay at Addis Ababa
14	Lack of inputs	29	Human resource
15	Storage facility	30	Theft

Among thirty variables educational level of house hold seen sixteen times, age of the household and infrastructure fourteen times, marketing information thirteen times, coffee price setting and distance from home to market place ten times, farm size and lack of governmental support nine times and marketing channel and access to credit/finance seen eight times in the study. Therefore among thirty variables ten variables seen eight times and above were taken to detail review (See figure 1).

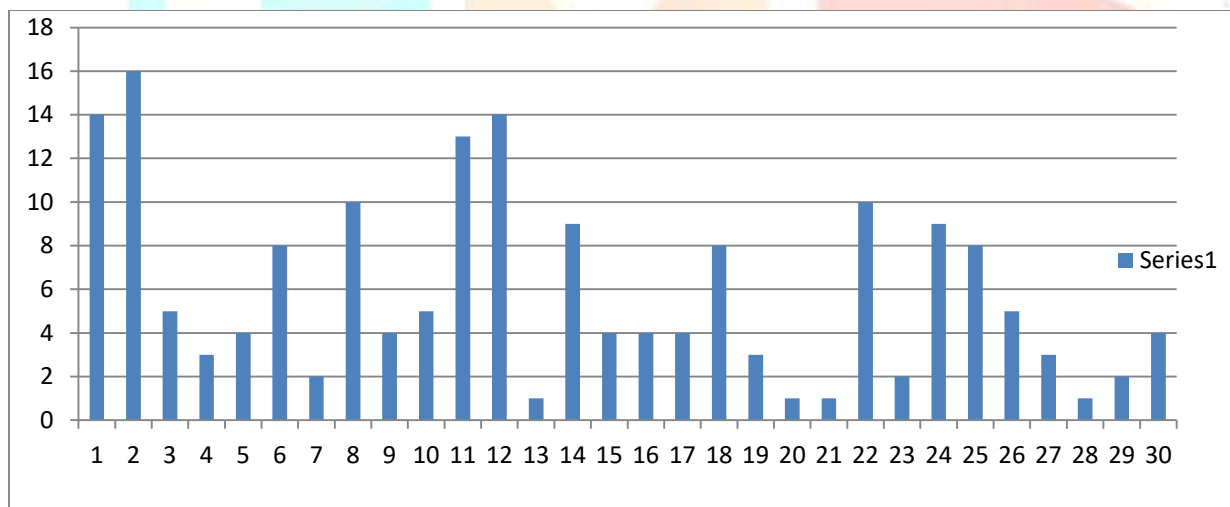


Figure1. Frequency of variables

Conclusion and Recommendation

As mentioned in the summary of the evidence infrastructure have seen fourteen times, transportation cost seen ten times, price setting seen ten times, access to credit/finance seen eight times in the studies as the finding indicates in all studies positively affect the marketing performance of coffee farmers and farm size seen in the study eight times and seven times positively significant and in two studies negatively significant, lack of input seen nine times and in eight studies positively significant in one study negatively significant and governmental support seen nine times and in seven studies positively significant and in two studies negatively significant. Marketing information seen thirteen times and all positively affect the marketing performance of coffee farmers. Marketing channels share & transparency seen nine times in the studies and all positively affect the marketing performance of farmers.

Studies conducted in different countries in different years related to marketing problems of coffee farmers reveals that mentioned problems affect farmers worldwide. It needs strong attention of governments and development partners to minimize problems.

We recommend that concerned bodies and development partners create awareness to farmers to add value in the product in order to maximize profit gained from coffee, minimize coffee supply chain, the longer the supply chain the benefit of farmers from the end users price become less, provide inputs and solve infrastructure problems.

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