

Cooperative Unions and ‘Sustainable’ Coffee Initiatives in Ethiopia: Opportunities and Challenges

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SUMMARY

‘Sustainable’ Coffee initiatives have been flourishing in Ethiopia as a result of increasing demand for organic coffee by global organic coffee consumers and premium price received over the conventional coffee because of an environment friendly production system, socioeconomic concern for the smallholder coffee growers and waiver of market auction by the Ethiopian government which allowed the farmer cooperative unions to export their produce directly to their customers in Europe, Japan and the USA. Four Coffee Farmers Cooperative Unions (CFCU) have been established since 1999, namely, Oromia Coffee Farmers Cooperative Union (OCFCU), Sidama Coffee Farmers Cooperative Union (SCFCU), Yirgacheffe Coffee Farmers Cooperative Union (YCFCU) and Kafa Forest Coffee Farmers Cooperative Union (KFCFCU). Some member primary cooperatives of these unions have been certified organic and fair trade labelled as a result of which they are receiving floor price of 1.41 and 1.26 US\$ per pound respectively. At a time when world coffee prices are at their lowest level in 30 years, having fallen by 50% in three years, member farmers of the cooperative unions are reported to be paid fair price for their produce which is invested in food, shelter, health care, education and improved management and conservation of coffee genetic resources. The general tendency for demand to out grow supply suggests the premium is not under an immediate threat and a recent FAO publication indicated that developing countries are likely to gain a relatively substantial market share for organic coffee in the coming years. In this paper, opportunities of sustainable coffee initiatives for and challenges to organized group of farmers in Ethiopia are discussed and a call for global assistance is made.

Key words: Cooperative union, sustainable, Coffee, organic, fair trade