

Analysis of Coffee Consumption in Nigeria

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SUMMARY

Coffee production has been faced with crisis over the years both in Nigeria and the world at large. However, some origin countries are vigorously pursuing increased internal consumption of coffee. This study hereby evaluates coffee beverage (CBV) demand in Nigeria. A multistage sampling technique was adopted in collecting the data used in the study. The first stage involved a random selection of nine out of twenty-four States in South and North-central Nigeria. These are Abia, Edo, Kaduna, Kwara, Lagos, Niger, Ondo, Osun, and Oyo States. In the second stage, twenty local government areas (LGAs) were randomly sampled in the selected States. The last stage employed the use of a systematic random sampling of one hundred households from each LGA. A total of 2,000 households were sampled. However, 1,413 questionnaires, representing 70.7% response rate, were used for the analysis. Data collected with the aid of structured questionnaire included household size, age, gender, etc and were analysed using descriptive statistics and multivariate Tobit model. Average household size was 5 people while average age of household head was 33.1 years. Male-headed households, constituting 54.8% of the entire respondents, had an average monthly CBV demand of 150.5g while female-headed households had average monthly CBV demand of 125.6 g. CBV household budget share was ₦43.43 (US\$0.32) i.e. 0.40%. The factors that significantly influenced the demand for CBV were marital status, price of cocoa beverage, own price of CBV, and price of tea beverage ($p < 0.1$). Concerted efforts need be made to popularize CBV demand so that efforts on increased coffee consumption could yield the desired dividend of improved coffee production in Nigeria.

Keywords: coffee, demand, budget share, Tobit model