



NEWSLETTER

# **Can Coffee Traders be Trusted?**



 ${f T}$ he Ethiopia Strategy Support Program and the Ethiopian Development Research Institute jointly held a half day research seminar on coffee trading in Ethiopia on November 18, 2014 in the EDRI training room. The seminar workshop under the title "Can Agricultural Traders be Trusted? Evidence from Ethiopia" was presented by Thomas W. Assefa and Bart Minten from IFPRI, ESSP.

The seminar focused particularly on coffee traders in Addis Ababa by looking into trust issues that result from food price volatility, adulteration, and uncompetitive behavior of coffee traders. It also addressed the role of the state in market regulation and also looked at existing modern market practices in Addis.

Presenters briefed conclusions from the study conducted on randomly selected coffee traders,

and supermarkets, minimarkets and regular shops from few sub cities and kebeles in Addis Ababa. Regarding the trust issue, the research concluded that cheating is insignificant when it comes to the weight of coffee in traditional market but that stated origins of coffee often used as quality indicators by traders do not make a difference in prices. Though modern markets deliver high quality and more processed coffee at a higher price, they are not more trustworthy than traditional markets. According to the study, existing market regulations are not effective and that there is a flourishing informal market for coffee.

at more aspects in coffee trading and that conclusions be supported with more evidence and to investigate if the same study can be applicable to other agricultural products.

## **Ongoing Research in EDRI**

"Adaptation to increase resilience to climate change in Ethiopian agriculture: empowering farmers to adopt the right water management technologies for their farms" Dr. Haileselassie Amha "Agricultural-Development-Led-Industrialization (ADLI) Strategy: Its payoff to Fostering Linkages with the industrial sector" Dr. Andualem Tilaye "An economic inquiry into the drivers of emigrants' choice of remittance transfer channel" Dr. Berihu Assefa "Analysis of incentives and disincentives for sesame seeds marketing in Ethiopia" Dr. Tadesse Kuma "Assisting job search in low-employment communities: The effect of information provision and transport vouchers in Addis Ababa" Dr. Girum Abebe "Coffee income and household food and nutrition security in Ethiopia" Dr. Tadesse Kuma "Climate resilience strategy for major agricultural export commodities in Ethiopia" Dr. Alebel Bayrau, Dr, Firew Bekele, Dr. Berihu Assefa "Designing Institutions that promote cooperation and technology adoption in natural resource management: field experiments in Ethiopia" Dr. Haileselassie Amha "Does saving constraint matter in enterprise development? Experimental evidence from Ethiopia" Dr. Girum Abebe "Effective saving instrument for enterprise development: A field Experiment with micro-entrepreneurs in urban Ethiopia" Dr. Alebel Bayrau "Entrepreneurship and small business development in Ethiopia" Dr. Mulu Gebrevesus, Dr. Girum Abebe, Dr. Berihu Assefa, & Abebaw Zerfu "Fading Choice: Market development and consumer good choice to remote markets" Dr. Andualem Tilave "Food and nutrition security in major cereal producing regions of Ethiopia: Review of current status" Dr. Tadesse Kuma "From licensing to operations: Inquiry into determinants of investment conversion in the manufacturing sector" Dr. Girum Abebe and Abebaw Zerfu "Import substitution performance and the role of importer's market power" Dr. Mulu Gebreyesus "Learn to be efficient: The effect of Kaizen in company training on workplace practices and enterprise performance" Dr. Girum Abebe & Abebaw Zerfu "Monitoring and analyzing food and agricultural policies" Dr. Frew Bekele

"Private investment in commercial agriculture in Ethiopia: Review of Progresses and Challenges" Dr. Tadesse Kuma

"The economic analysis of non-farm micro and small businesses in rural Ethiopia" Abebaw Zerfu

"Research on Industrial policy in Ethiopia" Dr Mulu Gebreyesus, Dr. Andualem Tilaye, Dr. Berihu Assefa, Dr. Firew Bekele, Dr. Girum Abebe,

"Rural finance to promote input adoption in Ethiopia" Dr. Firew Bekele

"Study on Economic Returns of Higher Education in Ethiopia" Dr. Alebel Bayrau

"State-inducement Versus self-initiation: A comparative study of micro and small enterprises in Ethiopia" Dr. Girum Abebe

"Sector baseline studies of flour milling and dairy industries" Dr. Mulu Gebreyesus

"Tariffs, tax revenue and industrial policy (textile and leather)" Dr. Mulu Gebreyesus

"The political economy of success: The case for industrial policy and its use in the Ethiopian cut flower sector" Dr. Girum Abebe

"Welfare and efficiency in contract farming on cotton in Ethiopia" Dr. Berihu Assefa

## Newly published EDRI research reports

Research Report 17. "An institutional assessment of the cotton and sugarcane commodities in Ethiopia: The climate change perspective" By Alebel Bayrau, Firew Bekele, Berihu Assefa, and Mezgebe Mihretu

**Research Report 18**. "Identifying key success factors and constraints in Ethiopia's MSE development: An exploratory research" By Berihu Assefa, Abebaw Zerfu, and Biruk Tekle

Research Report 19. "Building a resilient city to water mediated climate change: Policy and institutional options" By Alebel Bayrau

Research Report 20. "Characteristics of climate change risk, vulnerability & adaptation in cotton and sugarcane producing regions of Ethiopia: Discussions from a household survey" Alebel Bayrau, Firew Bekele and Berihu Assefa and Adiam Hagos

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Participants suggested looking

## Data Sample

- 100 randomly selected semi-wholesalers from 240 in Merkato
- Five randomly selected sub-cities in Áddis of which 4 kebeles selected from each
- 10 regular shops from each kebele: 200 regular shops
- 543 coffee traders surveyed in October 2013

## Data Collection procedure Survey collected information on

- Retailer's background
- Coffee sales turnover
- Stated coffee quality and price

Weight Assessment of coffee from open market traders, supermarkets, minimarkets & 25% regular shops; average taken from two different electronic scales

Quality Assessment: all samples sent to Coffee Liquoring Unit (CLU) for analysis; raw bean inspection



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# **EEPFE Workshop on Adaptation to Increase Resilience to Climate Change in Ethiopian Agriculture**

The Environmental Economics Policy Forum for Ethiopia, based in the Ethiopian Development Research Institute organized a one day workshop on "Adaptation to Increase Resilience to Climate

and Mr Mark Redwood, Program Leader, Climate Change and Water, IDRC.

Dr Gunnar Köhlin, director of the Environment for Development, EfD Ethiopia in his opening re-

practices by Dr. Hailemariam, and another on best land and water management practices in Ethiopia by Dr. Tena Alamirew, Deputy Director of Water and Land Resource Center.



Change in Ethiopian Agriculture" on November 7, 2014 at Capital Hotel and Spa, Addis Ababa.

The project leader and a researcher at the Environment for Development, Dr. Alemu Mekonnen opened the workshop by briefly explaining the Environmental Economics Policy Forum for Ethiopia and introducing the workshop program.

The workshop aimed at gathering inputs from participants, commenced with opening remarks from H.E Neway Gebre-ab, Executive Director of EDRI, H.E Sileshi Getahun, State Minister of Agriculture

marks emphasized that the initiative works on developing research generated by local capacity. Following Dr. Alemu's presentation of the summary of the project, Dr. Hailemariam Teklewold, and Dr. Haileselassie Medhin, both researchers at the EfD, gave presentations on Analysis of Adoption and Impact of Adaptation Technologies and on Experiment to Examine Approaches to Deliver Information to Farmers respectively.

The afternoon session started with a presentation of the research results on adoption and impact of multiple sustainable intensification

Each presentation was accompanied by comments and questions from participants who had rich experiences and deep knowledge on the focus of the research project. Participants were finally asked to break into three groups to discuss different aspects of the project. Group 1: On adoption and impact of soil and water management technologies; Group 2: On approaches to deliver information on best soil and water management technologies to stakeholders, mainly farmers; Group 3: On ways to communicate research results to influence policy making.

Feedbacks from participants emphasized the need to work within existing structural frameworks and aligning products with national efforts to maximize the impact of any initiative.

Mr. Redwood in his final remarks stressed on the importance of such workshops in enriching research outputs. He pointed to project members to think about what distinguishes the current project from other climate change related agricultural projects.

The project is sponsored by the International Development Research Institute, IDRC Canada whose Program Leader, Mr. Redwood indicated that the Institute will continue to support development projects in Ethiopia

# Presentations

Mezgebe Mihretu, researcher at EDRI presented a study on "Microinsurance and the Regulatory Environment" on the 8th biannual International Microfinance Conference organized by the Association of Ethiopian Microfinance Institutions (AEMFI) and Sidama & Omo Microfinance institutions. The conference was held in Hawassa from 22-25 October 2014.

# Upcoming

The New Climate Economy, Ethiopia Report will be launched in mid February, 2015.

- ability standards? Evidence from coffee in Ethiopia" presented by Bart Minten(IFPRI), Mekdim Dereje (EDRI) and Ermias Engida (EDRI) on October 17,2014.
- Environmental Economics Policy Forum for Ethiopia based at the Ethiopian Development Research Institute organized a policy workshop on "Improved biomass cookstoves and REDD+: Results from experiments in rural Ethiopia." The workshop held on December 18, 2014 at Desalegn Hotel, Addis Ababa, Ethiopia was co-organized by Portland State University and sponsored by the World Bank. As part of the project, three presentations were made:
  - What do People Want from REDD+ Contracts? by Dr. Sahan Dissanayake, Colby College
  - Do People Like Mirt Stoves and Do they Save Wood Under Controlled Conditions? by Dr Zenebe Gebreegziabher, Mekelle University and EEPFE, EDRI and Prof. Randall Bluffstone, Portland State University
  - Do People Use Mirt Stoves and Do They Save Wood in the Field? by Dr Abebe Damte, EEPFE, EDRI and Dr Alemu Mekonnen, Addis Ababa University and EEPFE, EDRI

## More Workshops at EDRI

• The Ethiopia Strategy Support Program and the Ethiopian Development Research Institute jointly organized a research seminar on "Who benefits from rapidly increasing Voluntary Sustainability Standards? Evidence from coffee in Ethiopia." By Bart Minten (IFPRI), Mekdim Dereje (EDRI), and Ermias Engida (EDRI) on October 17,2014 in the EDRI training room.

EDRI hosted a research seminar co-organized with ESSP on "Who benefits from increasing voluntary sustain-