



ED&F
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ORIGIN: ETHIOPIA

CBS&A Coffee Business Services & Academy, a Volcafe Initiative



Argaw Kebede is the manager of our representative office in Ethiopia – a country which is the homeland of arabica, and steeped in coffee culture.

ETHIOPIA AT A GLANCE:

Population:
84.7 mio people

GDP per capita:
\$374

Export share of GDP:
12.0%

Coffee share of exports:
17.0%

Coffee Production 11/12:
4.8 mio bags

Coffee Hectarage 11/12:
780,000 ha

(2011 data: World Bank, National Bank of Ethiopia)

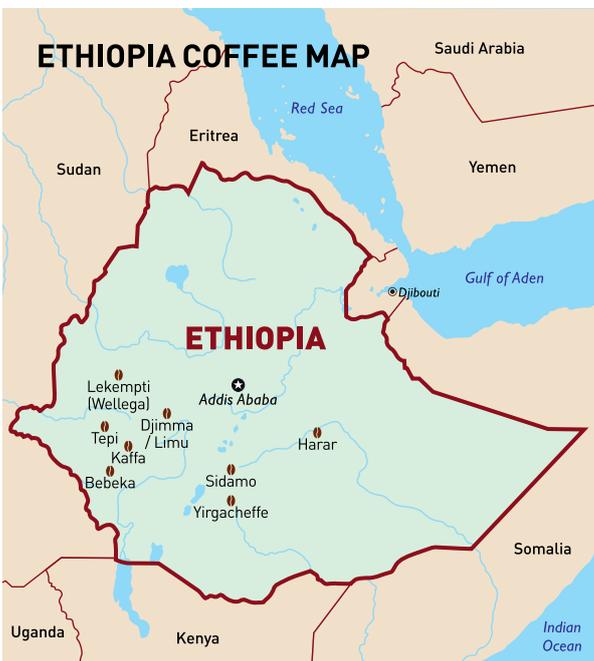
PRODUCTION

Legend has it that Kaldi, a humble goat herder, discovered the first coffee trees while walking through a forest in western Ethiopia. Kaldi's goats did a funny dance after nibbling on some red berries. He tried a few and began dancing too...

Several hundred years later, wild Arabica trees can still be found in Ethiopia's forests, though their contribution to overall production is quite small (less than 5%). Production of "semi-forest" coffee, a term for coffee that has been planted under a dense canopy of indigenous shade trees, is much more common. It has enabled Ethiopia to keep large tracts of its old forests and biodiversity intact. There is also "garden" production, which appears more similar to smallholder farming systems found elsewhere in the world, and is most prevalent in the southern and eastern parts of the country.

Ethiopia has an estimated 1.2 million smallholder coffee farmers, whose plots typically range from 0.5 to 1.0 hectares. Most smallholders use only traditional, organic farming practices. There is a small but fast-growing plantation (estate) sector that utilizes more modern agronomic practices and accounts for around 10% of total production.

Ethiopia's production has been rising since the 1990s and it is currently Africa's largest producer and exporter. There remains potential to increase future coffee production, through both yield improvement and new planting. The government currently has a large-scale planting program that has established seedling nurseries in villages nationwide.





Ethiopians are also big coffee drinkers. They usually consume half of the country's total production each year. Tradition dictates that guests are welcomed with a coffee ceremony, in which green coffee is freshly roasted, brewed in a clay pot, and served in three rounds. The smell of roasting coffee is an ever-present part of life and travel in Ethiopia. The modern café has also caught on in Addis Ababa and other cities – the most popular chain is named after Kaldi!

PROCESSING

About 80% of Ethiopia's total production, and two-thirds of what gets exported, is unwashed or "natural" Arabica. Virtually all of this is produced by smallholders through traditional, sun-drying methods. In the eastern growing area of Harar, which has an arid climate, all production is unwashed. Harar coffee is prized in many markets for its unique "mokka" character. Other origins, namely Djimma and Lekempti in the West, produce large volumes of conventional quality, unwashed coffee.

Ethiopia's washed coffee production has been increasing and now comprises about one-third of total exports. Both cooperative and privately owned washing stations (wet mills) can purchase farmers' cherries. The areas of Sidamo and Yirgacheffe in southern Ethiopia are famous for their high-quality, washed coffees. Yirgacheffe, a coffee origin named after a small town in Gedeo Zone, commands a special premium in the

world market for its distinctively floral and delicate characteristics in the cup. Other important origins of washed coffee – Limu, Tepi and Bebeka – come from western Ethiopia. The availability of high-quality washed coffee from western Ethiopia has increased in recent years as a result of a program implemented by TechnoServe in partnership with farmers, the Ethiopian government and donors.

Due to its diverse growing regions, indigenous tree varieties, and these processing methods, Ethiopia offers an unparalleled range of unique cup characteristics.

MARKETING

The Ethiopia Commodity Exchange (ECX) was introduced in 2008 and is used by all private processors (of both washed and unwashed coffees) and private exporters for handling the internal coffee trade. The ECX is currently partnering with industry members to investigate approaches to incorporate "traceability" into its supply chain.

Cooperative unions and large plantations have the option of selling through ECX or direct to a foreign buyer. Together, they represent about 10% of total exports, but are an important source of certified coffees. ☪



VOLCAFE IN ETHIOPIA

From our office in Addis Ababa, we are able to follow closely developments and policies affecting the coffee sector. In addition to arranging purchase of coffee and strictly controlling quality (we operate a fully equipped cupping facility), our representative office also participates in sustainable coffee production projects.

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