BASELINE SURVEY REPORT

147 Speciality Coffee Farm Enterprises

Hawassa and Jimma Clusters, Ethiopia

Prepared by:	Soil and More Ethiopia
Survey Date:	August 2023
Coverage:	147 coffee farm enterprises — Hawassa and Jimma clusters

147 coffee farm enterprises surveyed	**58% / 42%** male / female respondents	**50%** of land dedicated to specialty coffee	**1,590 ha** total farmland covered by the survey

1. Executive Summary

Context of the Project

The purpose of this baseline survey is to assess the current status and performance of selected coffee farm enterprises before providing support through a project. The coffee farm enterprises were selected based on their top cup score in the 2022 Cup of Excellence competition. The project aims to provide two types of support to selected farm enterprises.

The first type of support will be provided to 150 short-listed farm enterprises, including post-harvest management, digital literacy, and marketing training — intended to enhance their knowledge and skills, ultimately improving overall productivity and marketability.

The second type of support will be provided to 40 farm enterprises, including the winner of the Cup of Excellence 2022 competition. These enterprises will receive business management support to help them optimize operations and achieve greater success in the coffee industry.

By conducting this baseline survey, we gather important information about the current state of the coffee farm enterprises, serving as a benchmark against which the project's impact can be measured. It also helps identify specific areas where improvement is needed, so support can be tailored accordingly.

The baseline survey was conducted in two clusters formed based on the geographical location of the coffee farm enterprises — the Hawassa cluster and the Jimma cluster. The survey aimed to provide training on pre- and post-harvest practices, with the goal of improving the productivity and quality of coffee production. The project also aimed to support coffee farm enterprises through farm management training, technical assistance, technology transfer, and export market creation, enabling them to enhance operational efficiency and competitiveness.

Overall, this baseline survey provides valuable insights that guide the implementation of the project, laying the foundation for targeted support and interventions to enhance the capacity and success of coffee farm enterprises in Ethiopia.

Baseline Objectives

- Assess the current status and performance of selected coffee farm enterprises before providing support through the project.
- Identify specific areas where improvement is needed within the coffee farm enterprises and tailor support accordingly.
- Gather valuable insights to guide the implementation of targeted support and interventions aimed at enhancing the capacity and success of coffee farm enterprises in Ethiopia.
- Promote sustainable agricultural practices to conserve natural resources.
- Collect demographic characteristics, farm land utilization, and location specifics of coffee farmers.
- Determine the level of involvement of men and women in the coffee farming sector, highlighting the importance of gender equality and participation in the cultivation and development of coffee crops.

Methodology

Survey Questionnaires

Field farm experts were assigned to conduct interviews with coffee farm enterprises, administering questionnaires to gather relevant information from enterprise owners or representatives. The questionnaires captured data on pre- and post-harvest practices, farm management, enterprise profile, harvesting and processing, legal status, marketing, and compliance with sustainable agricultural practices.

Document Review

Field farm experts reviewed all available documents provided by the coffee farm enterprises, cross-referencing them against questionnaire responses to check compliance and ensure the accuracy and reliability of the collected data.

GPS Location Tracking

Field farm experts used GPS cell phone applications to record the coordinates and altitude of each farm during interviews, allowing the enterprises to be mapped.

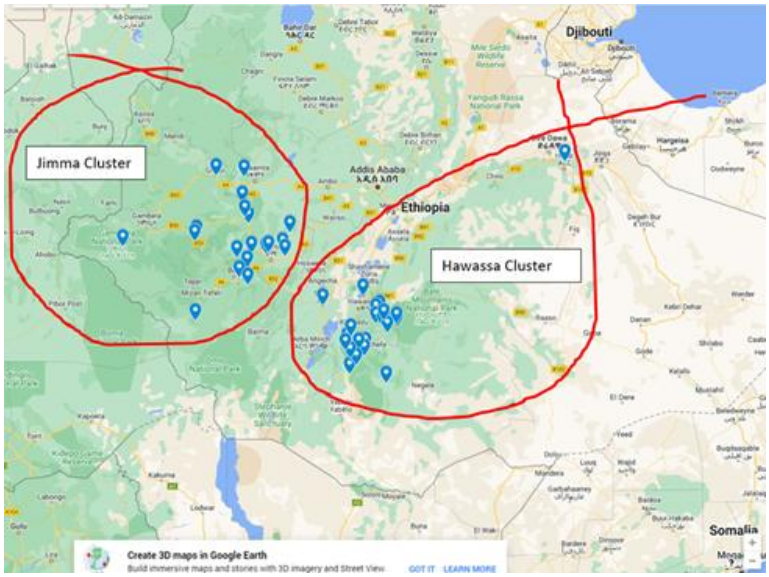

Figure 1. GPS locations of the 150 coffee enterprise farms.

Data Analysis

Once questionnaires were collected and GPS locations recorded, the data was analyzed using statistical techniques and software, examining demographic characteristics, farm land utilization, compliance with sustainable practices, and other relevant factors.

Reporting

Findings from the survey questionnaires, document review, and data analysis were compiled into this report, presenting a comprehensive overview of the current status and performance of the coffee farm enterprises.

Overall, the methodology combined survey questionnaires, document review, GPS location tracking, and data analysis to ensure a comprehensive and reliable baseline assessment. Data was analyzed using SPSS and Excel to produce simple graphs for interpretation. Qualitative data was analysed by collating responses by question within a framework developed to identify dominant responses and the reasons cited for the quantitative information collected.

2. Key Findings

2.1 Enterprise Profile

The survey captured valuable data on the demographic characteristics, land utilization, and location specifics of coffee farmers, shedding light on the inclusive nature of the sector, and on the distribution of family size among coffee farmers, classified by gender.

Gender Involvement

The survey findings indicate a relatively balanced representation of both men and women in coffee farming. Out of the 147 respondents, 58% were male and 42% were female.

Figure 2. Cup of Excellence award for a male and female coffee farm enterprise, 2022.

Family Size Distribution

The survey also analysed the distribution of family sizes within the surveyed population. Out of the total 147 families, the majority (45.6%) fell within the 5–8 member range. The cumulative percentages demonstrate that 60.5% of families had a size between 5 and 8 members or lower. These findings provide valuable insight into the composition and structure of households in the surveyed area.

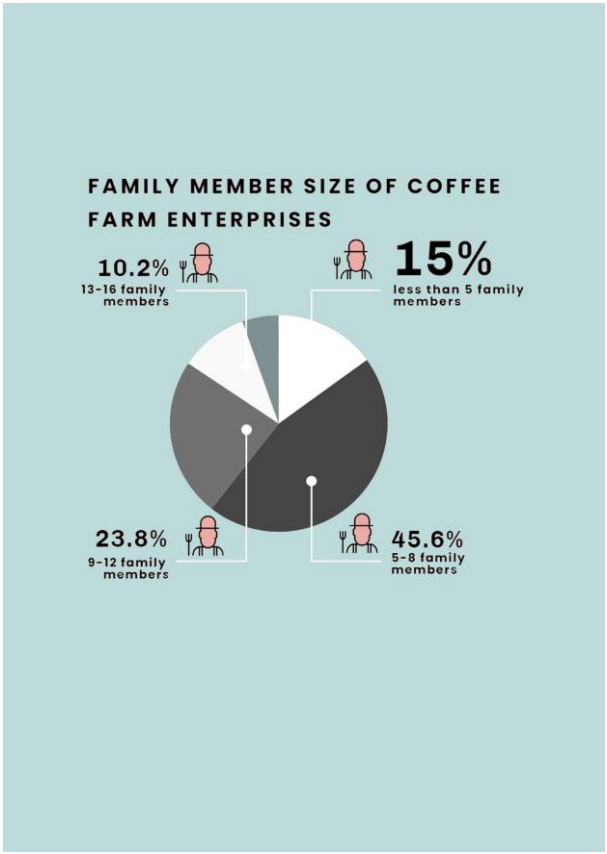

Figure 3. Number of coffee farm enterprises classified by family member size.

Active Engagement in Coffee Farming

It was revealed that 80% of family members actively participated in coffee farming, with 43% being male and 37% female. These findings highlight the fair distribution of gender equality and participation in the sector.

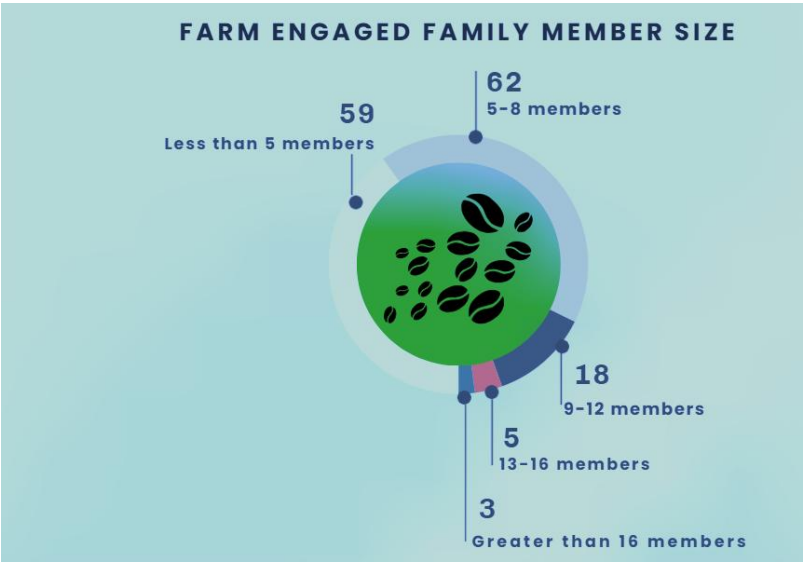

Figure 4. Number of coffee farm enterprises by actively engaged family member size.

2.2 Land Utilization Analysis

The survey findings revealed a substantial portion of the total land dedicated to coffee farming, with a particular emphasis on specialty coffee areas. The data collected provides valuable insight into land allocation patterns and the prevalence of specialty coffee farming in the surveyed region.

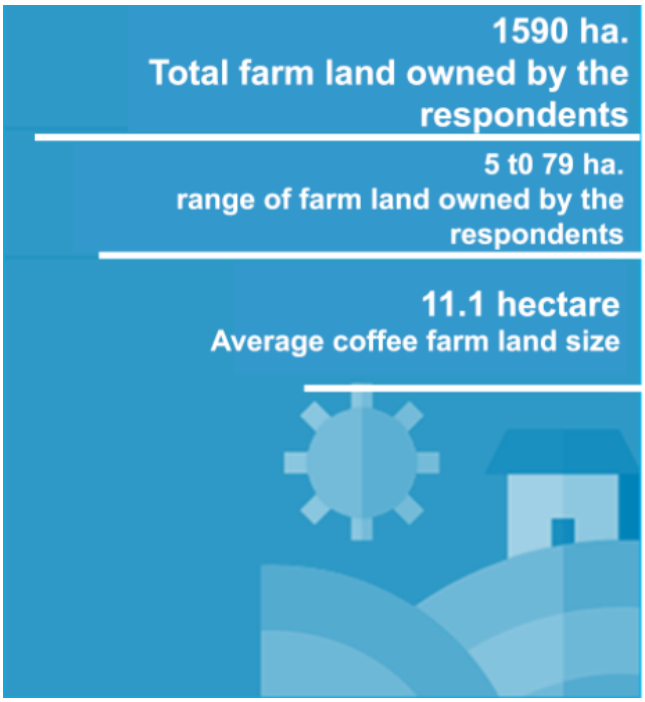

Figure 5. Farm land size of coffee farm enterprises.

The land utilization analysis conducted in the study area revealed that specialty coffee production is the dominant agricultural activity, with 50% of the total land size dedicated to this sector.

Figure 6. Number of hectares of coffee farm categorized by crop type.

This allocation reflects the farm enterprises' acknowledgment of the increasing demand and premium prices associated with high-quality coffee beans. The strategic allocation of land demonstrates their efforts to capitalize on the market potential of specialty coffee while maintaining a balanced approach to crop diversity. The survey findings also highlighted the favorable altitudinal range of 1,900 to 2,300 meters, which contributes to the unique flavors and exceptional quality of Ethiopian coffee.

2.3 Farm Management

The survey on farm management of selected coffee farm enterprises in Ethiopia provided valuable insight into the unique context of coffee farming in the country. By analysing the respondent profile and factors such as coffee variety, type of coffee planted, and shade level management, the survey reveals decision-making processes, sustainability initiatives, and agricultural techniques that contribute to the overall success and viability of coffee farming in Ethiopia — suggesting a potential focus on organic and environmentally friendly approaches.

Fertilizer Usage and Pest Management

In relation to fertilizer usage, the majority of respondents reported not using any form of fertilizer.

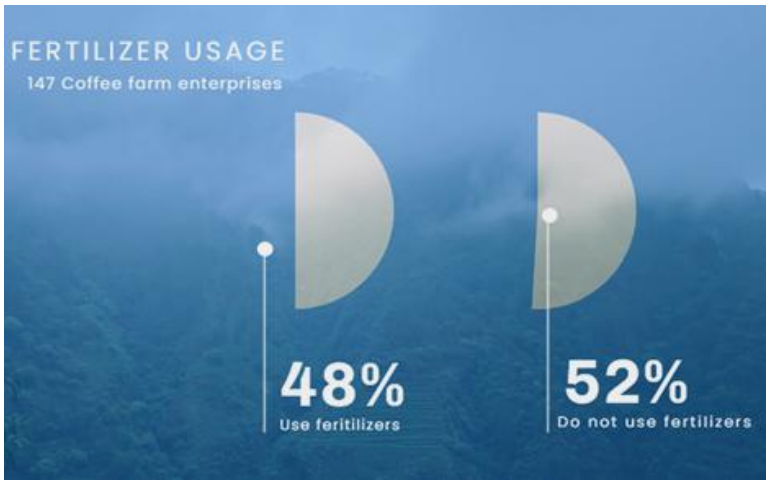

Figure 7. Percentage of fertilizer usage by coffee farm enterprises.

Furthermore, none of the coffee farm enterprises reported using fungicide or pesticide sprays within the past three years. These findings indicate a potential inclination towards organic and environmentally friendly approaches within the coffee farming industry.

Workforce Composition and Employment Patterns

The survey data offers intriguing insight into the composition of the workforce and employment patterns within coffee farm enterprises. During the peak farming period, the number of workers engaged in farm activities varies significantly, ranging from 2 to 150 individuals, with both full-time and part-time workers contributing across management and harvesting/processing tasks.

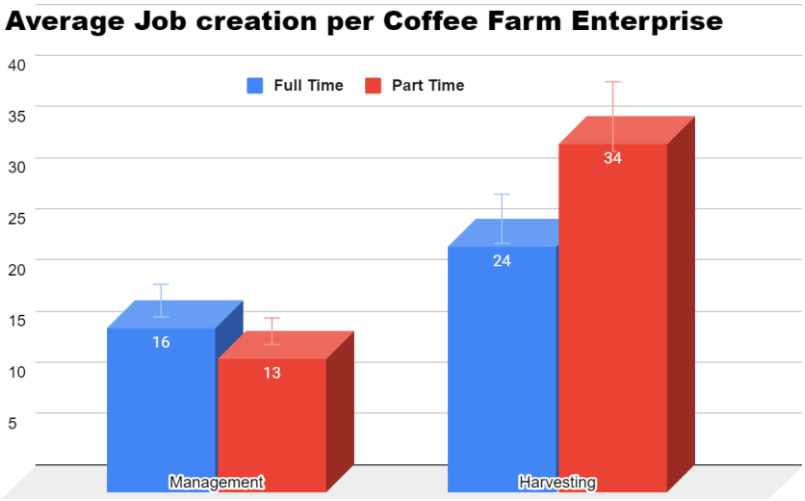

Figure 8. Average employment per coffee farm enterprise, by task and employment type.

These findings underscore the diverse employment arrangements within the surveyed coffee farm enterprises, reflecting varying labor needs and operational requirements throughout the farming process. The survey data also sheds light on the average daily time spent by farmers or their workmates on coffee farm activities, ranging from 4.3 to 12 hours, with an overall average of approximately 7.5 hours — highlighting the dedication exhibited by workers and the labor-intensive nature of coffee farming.

Coffee Tree Management Practices

Approximately 65% of respondents did not engage in tree management practices in the last three years. For those who did, stumping and pruning activities were conducted once or multiple times, with frequencies ranging from 1 to 5 times. The reasons for non-engagement were categorized as “new” or “oldies coffee,” indicating recently planted trees or mature trees not in need of further management.

Around 80% of respondents reported medium shade coverage, indicating a well-balanced shade level, and approximately 40% actively engaged in shade tree planting — reflecting a commitment to agroforestry and long-term sustainability.

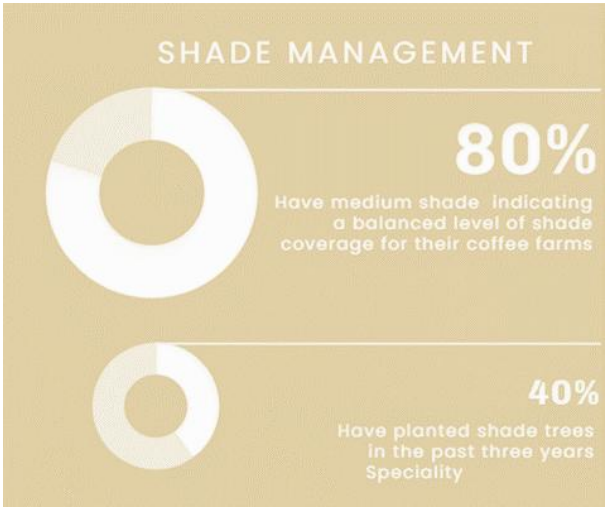

Figure 9. Shade management practices among surveyed coffee farm enterprises.

All farmers relied on rain-fed irrigation, underscoring their dependence on natural rainfall. All respondents reported having sustainability plans in place and traceable coffee, demonstrating a commitment to environmentally sound, transparent, and quality-oriented coffee farming practices.

2.4 Coffee Harvesting and Processing Practices

The report examined coffee harvesting and processing practices in specialty coffee farm enterprises in Ethiopia, using mean and standard deviation to analyse respondents' answers regarding cherry picking, harvesting season, cherry-collecting materials, processing methods, cherry drying method, access to clean water, storage method and duration, and cost of production.

Cherry Picking and Collection

The majority of respondents (93%) mentioned picking coffee cherries when they turn red, and more than 50% of respondents harvest coffee three times per season. Most farmers (71%) use baskets for collecting cherries, with immediate processing of cherries emphasized to prevent wastage.

Cherry Drying Method

Among respondents supplying coffee to the market, 52.4% used the sundried method, while 48% used a combination of sundried and wet/washed processes.

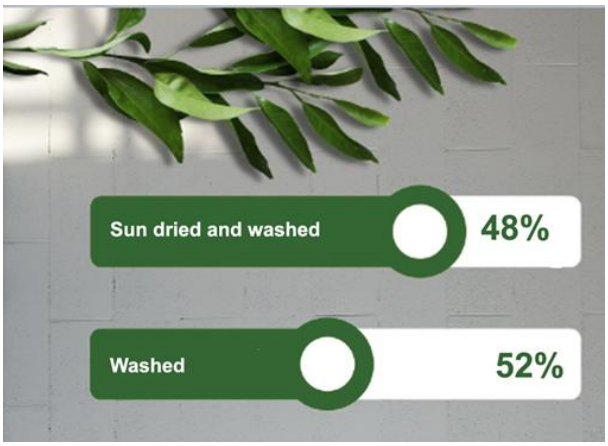

Figure 10. Coffee processing methods used by the coffee farm enterprises.

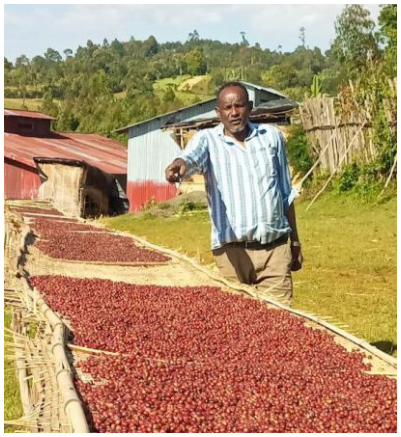

Figure 11. Sun-dried coffee processing method demonstrated by farmer Nare Ware at his farm site in Bona Zuriya, Sidama.

Production Volume of Specialty Coffee

Across the 147 coffee farm enterprises surveyed, 36,691 quintals (76%) of coffee produced fell under the category of specialty coffee, while 11,312 quintals (24%) were classified as conventional coffee — highlighting a significant inclination towards specialty coffee among respondents.

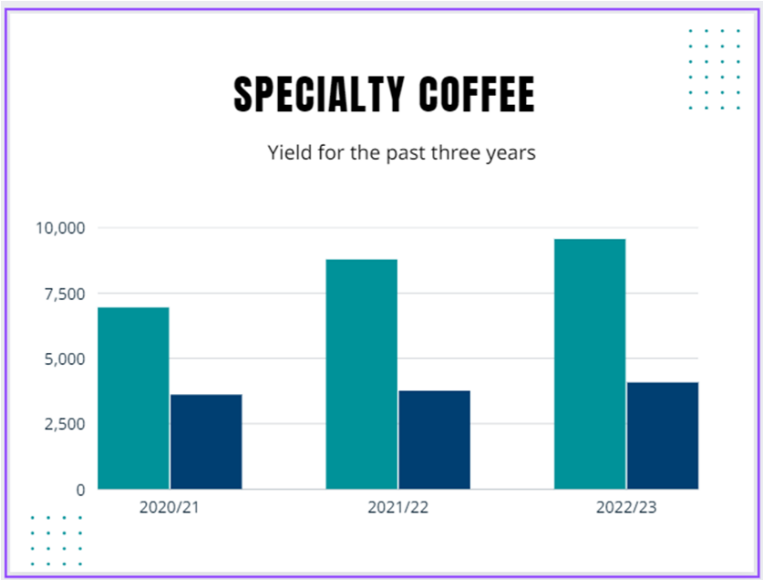

Figure 12. Specialty coffee production for the past three years.

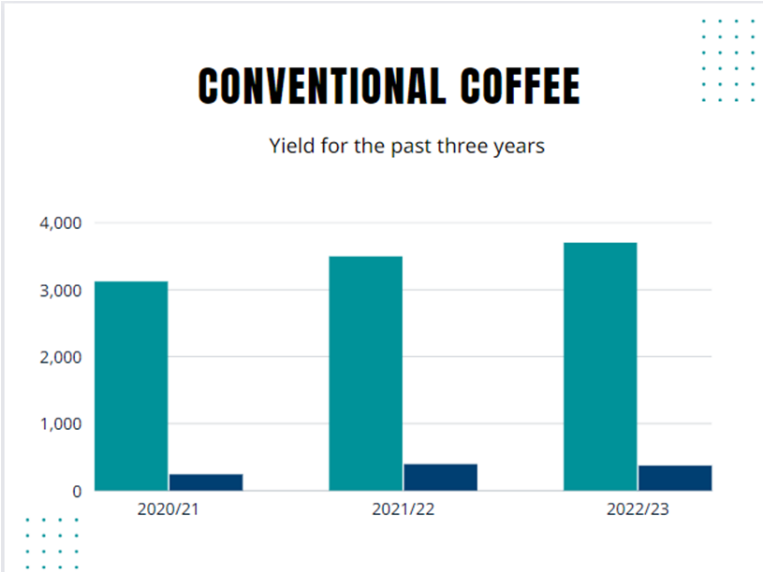

Figure 13. Conventional coffee production for the past three years.

The production of specialty coffee — specifically the Jenfel variety and washed coffee with parchment — has been steadily increasing year after year, with conventional coffee also showing a positive growth trend.

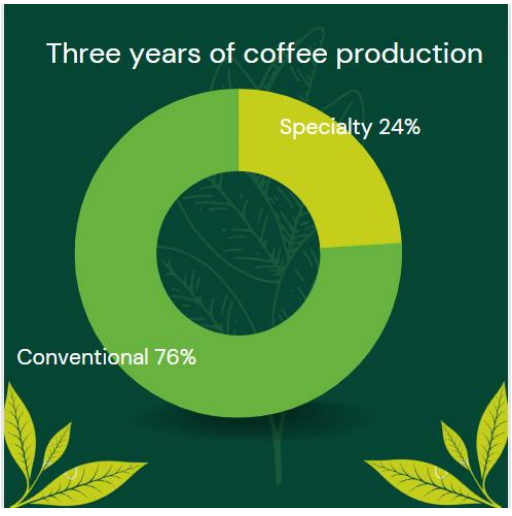

Figure 14. Comparison of specialty vs. conventional production for the past three years.

2.5 Marketing and Sales

Of the total respondents, 9 (6.1%) sold their coffee exclusively in the local market through the Ethiopian Commodity Exchange (ECX), 68 (46.3%) through local private agents, and 8 (5.4%) utilized both ECX and private agents.

A significant number of coffee farm enterprises (36.1%) sold their products internationally, with 53 respondents engaging in exports. Among these, 51 (34.7%) exported independently while also participating in the Cup of Excellence (COE) programme. Most respondents (76%) engaged in both local and international markets, with the international market preferred due to higher prices compared to the local market.

Of 147 respondents, six were unsure about their revenue over the last two years. Among the 141 coffee farm enterprises that provided revenue data, a wide range of revenue distribution was found, from 40,600 to 9,150,882 birr — indicating a 35% increase over the last two years.

Specialty Coffee Leading the Way

Over the past two years, Ethiopia's coffee export performance has witnessed a significant increase, with export value rising from USD 907 million to USD 1.42 billion — a growth rate of 22%. Within this surge, a substantial volume of specialty coffee was exported, representing 53% of the total export value.

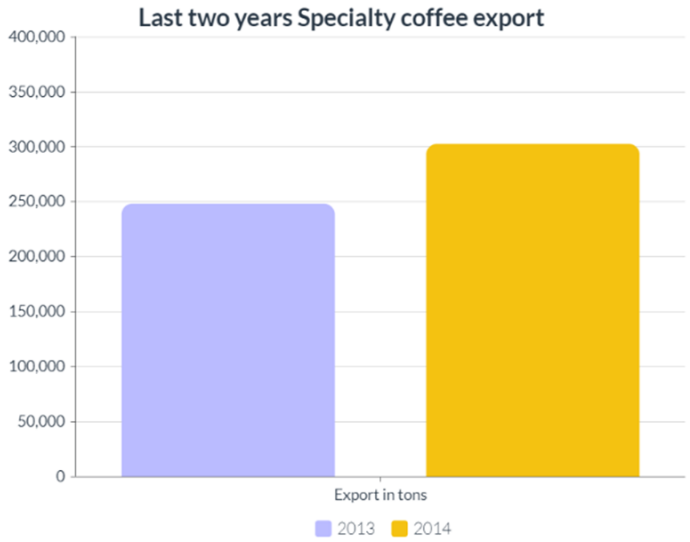

Figure 15. Last two years' specialty coffee export from Ethiopia.

This data highlights the increasing prominence and demand for Ethiopian specialty coffee in the global market. The rise in exports reflects the efforts of Ethiopian coffee producers and exporters in maintaining and improving quality standards, and underscores growing recognition and preference for Ethiopian specialty coffee among international buyers. With this upward trend, Ethiopia is poised to strengthen its position as a leading player in the global coffee market.

Previous Technical and Business Skills Training

42% of respondents have received training on agronomy and post-harvesting techniques, while 58% have not. Additionally, 82% of farmers have not received business skills training — emphasizing the importance of continuous training for farmers to adopt good agricultural practices, improve coffee quality, and increase economic returns.

Training programmes are designed to introduce farmers to a range of practices and climate-smart technologies, optimizing cultivation methods, harvesting techniques, and post-harvest processing. Although business skills training is lacking among most farmers, it has the potential to improve market access, negotiation skills, and overall business acumen — enabling farmers to navigate markets effectively, establish fair trade relationships, and secure better prices.

2.6 Legal Status and Financial Literacy

Legal Status

The majority of specialty coffee firms in Ethiopia operate as individual farming entities without proper registration. Only a small percentage have attained legal status as enterprises. Legalizing coffee farm enterprises can bring several advantages: access to financing options such as loans and grants, enabling investment in modern equipment and

sustainable practices; attracting local and international investors for infrastructure upgrades and new market channels; and the ability to directly engage in exporting, bypassing intermediaries and maximizing profits.

Financial Literacy

The majority of coffee farmers in Ethiopia possess active bank accounts, but lack financial management skills and proper record-keeping practices — hindering their ability to prepare financial reports, track cash flow, and make informed decisions. The absence of budget allocation and financial and business planning strategies further exacerbates the problem.

Regularly preparing financial reports allows farmers to analyze income, expenses, and overall financial performance, identifying inefficiencies and optimizing resource allocation. Maintaining accurate financial records is essential for effective financial management, tax compliance, and informed decision-making. Promoting financial literacy — through training and support in financial reporting, record-keeping, budgeting, and business planning — is key to enhancing farmers' financial stability, attracting investment, and achieving long-term success in the coffee industry.

3. Conclusion

The baseline survey has provided valuable insight into the current status and performance of coffee farm enterprises in the Hawassa and Jimma clusters. It has revealed important information about the involvement of men and women in coffee farming, geographical distribution of activities, land allocation patterns, and specialty coffee production. The survey has shed light on various aspects of farm management, including fertilizer usage, pest management, workforce composition, and coffee tree management, as well as shade level, intercropping practices, market access, and marketing channels.

The findings highlight key challenges and opportunities, emphasizing the need for targeted support and interventions. The baseline survey serves as a benchmark for measuring the impact of future interventions, enabling informed decision-making and strategic planning, and provides a foundation for tailored interventions to enhance the productivity, sustainability, and competitiveness of coffee farm enterprises in the surveyed regions.