



HAL
open science

The role of coffee in the development of Southwest Ethiopia's forests: farmers' strategies, investor speculation, and certification projects

Samir El Ouaamari, Hubert Cochet

► To cite this version:

Samir El Ouaamari, Hubert Cochet. The role of coffee in the development of Southwest Ethiopia's forests: farmers' strategies, investor speculation, and certification projects. *Society & Natural Resources*, 2014, 27 (2), p. 200-214. 10.1080/08941920.2013.847997 . hal-01374325

HAL Id: hal-01374325

<https://hal.science/hal-01374325>

Submitted on 2 Jun 2020

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

Title : The Role of Coffee in the Development of Southwest Ethiopia's Forests: Farmers' Strategies, Investor Speculation, and Certification Projects

This is the preprint paper corresponding to the following published article:

El Ouaamari, Samir, and Hubert Cochet. "The Role of Coffee in the Development of Southwest Ethiopia's Forests: Farmers' Strategies, Investor Speculation, and Certification Projects." *Society & Natural Resources* 27.2 (2014): 200-214.

Authors:

Samir El Ouaamari. PhD candidate. AgroParisTech- Université de Paris-Ouest. France.

Contact: samir.elouaamari@agroparistech.fr

Hubert Cochet. Professor. AgroParisTech. UFR Agriculture Comparée. Paris, France.

Contact: hubert.cochet@agroparistech.fr

Abstract: This article examines the role of coffee in the agriculture of southwest Ethiopian highlands, a context characterized by recent huge private coffee estate developments, coffee certification projects and smallholdings. The analysis shows that smallholder farmers prioritize staple crops and allocate land and labor to coffee only once food production objectives have been reached. It also underscores the diversity of the local peasantry, so often treated as a homogeneous group in development projects designed to boost farmers' income through coffee production. Based on this analysis, the article evaluates the effects of recent coffee-oriented development policies: state forest concessions for coffee investment and two coffee certification projects (UTZ-Certified and Fair-Trade/Organic). Because they omit the differentiated farmers' strategies, these certification initiatives fail on improving local populations' livelihoods and accelerate incipient socioeconomic inequalities. Moreover, when applied to big private plantations, they participate in farmers' dispossession from critical forest resources essential to households' food self-sufficiency.

Key words

Arabica Coffee, Forest, Ethiopia, Production Systems, Certification, Food Security

Introduction

Coffee plays a central role in the Ethiopian economy. It accounts for nearly 40% of all exports and contributes to the livelihoods of 1.3 million farming household (Petit 2007). Structural changes in the international coffee market since the 1990s have led to the collapse of international coffee prices, which reached all time lows in 2002 (Ponte 2002). The changes have been disastrous for both national and smallholders' economies (Mayne et al. 2002), but have strengthened the influence of international traders and roasters in the global value chain (Ponte 2002). In absence of stability mechanisms like those provided by the International Coffee Agreements (1962-1989), attempts to reduce this inequity have centered on quality improvement and consumer awareness (*Ibid*). A variety of tools are used to "objectify the quality" (Renard 2003) including often overlapping coffee certification labels, such as Fair-Trade, Organic, *UTZ-Certified*, Bird-friendly or Rainforest Alliance (Muradian and Pelupessy 2005). Regardless the label, the assumption is that consumers will pay more for certified coffee, which in turn will ultimately increase producers' incomes (Renard 2003).

In the relatively regulated Ethiopian coffee sector¹, certification initiatives have mushroomed in the last ten years driven by private-public partnerships (PPP) and international certification programs. These "socially-oriented" initiatives apply to very diverse situations: the same label can certify smallholder coffee as it can production from large private estates. They rarely take into account the socio-economic diversity of

peasant populations and their farming strategies (Petit 2007). They assume smallholders are exclusively dependent on coffee when in fact peasants' strategies often focus on food production and risk minimization through farming diversification, as it has been already demonstrated in other contexts such as Central America (Bacon et al. 2008 and Valkila and Nygren 2009).

In the densely forested areas as Kafa in southwest Ethiopia, the debate over coffee certification includes another dimension: recent government policy to allocate forest concessions to private investors for coffee development. Indeed, some of these investors are now reaping benefits from the certification of so-called "forest coffee", to the detriment of local farmers who previously worked these lands. FAO-supported "Participatory Forest Management" (PFM) projects (FAO 2012), designed to preserve "undeveloped" forests have limited somewhat this investor appropriation of forestland, but has restricted farmers' access to the forest resources they have collectively exploited for decades. In light of such trends towards dispossession and increased oversight, what might be the impact of coffee certification schemes on smallholders' livelihoods?

This article draws on a regional study of farming practices in Kafa to answer this question. It qualitatively evaluates the effects of recent coffee-oriented development policies – namely forest concessions for coffee investment and certification projects – based on an analysis of the role of coffee in households' income and land and family labor force allocation and gives particular attention to the peasantry's socioeconomic differentiation.

The first part presents the study area and the theoretical framework used for analysis. The following section describes the role of managed forests and cultivated clearings in farming practices in Kafa. Next, we examine the historical reasons behind present day inequity in terms of land access and plowing equipment, and the evolution

of coffee farming in Ethiopia. Subsequently, these landscape and historical analyses are used to categorize production systems and analyze farmers' differentiated capacities to grow coffee profitably. The two last sections confront this analysis with current land concession policy and two certification schemes present in Kafa. These are, on the one hand, *UTZ*-certified that applies to coffee from large private estates and, on the other hand, a PPP initiative based on certifying a smallholder producers' cooperative network in Organic (IFOAM) and Fair-Trade (FLO) standards. The findings suggest that under the current conditions, smallholders do not benefit from certification initiatives for "forest coffee".

1. The Study Area and the Agrarian Systems Framework

Study area

Kafa is a part of the southwest Ethiopian dissected highlands. The altitude and heavy rainfall – 1700 mm distributed throughout the year (Tezera Chernet 2008) – result in afro-montane rainforest, in which Arabica coffee grows well. The northernmost part of Kafa comprises large forest massifs (>100 km²), large cultivated open-fields (>100 km²) and checkered areas where forest and cultivated lands alternate over distances of less than a kilometer wide. The latter are generally found between 1500 and 1900 meters and are more conducive to Arabica coffee, unlike the continuous forest massifs, often found over 2000 meters. In Kafa, coffee cultivation is concentrated in the checkered areas, described in more detail below.

Fieldwork was conducted in the northern Kafa Zone, "Southern Nations, Nationalities and People's Region" from March to November 2008. The study area

spanned two villages, Michiti and Woka Araba, located 20 kilometers west of Bonga, capital city of Kafa. The area was selected for the following reasons: 1. It is located among the checkered areas representative of most of the coffee-growing areas in Kafa; 2. Two coffee certification projects have been set up there in the recent years, including one with the Michiti producers' cooperative²; 3. Thousands of hectares of forested land have been conceded in the area since 2000 for commercial coffee developments.

Landscape, history and farming practices' models

In this article we draw on the *analysis and diagnosis of agrarian systems* framework (Dufumier 1995), specific to the discipline of *Comparative Agriculture* (Cochet 2012). We first determined the dominant agricultural practices in Kafa and the underlying historical process that have influenced them. We relied on landscape analysis and secondary data (mapping, meteorological and soil data) to better understand the spatial distribution of both cultivated and forested areas (section 2). We then triangulated the data with about 50 interviews with cooperatives, authorities, investors and, above all, local elders in order to map out farming units' trajectories according to the evolution of social relationships – land access schemes, labor-force management, collective use of shared resources – and key periods of local agricultural development (sections 3-4).

Drawing on the detected trajectories and the current farming practices, we surveyed a sample of 20 households³ to analyze their technical and economic *modi operandi*. Households with similar access to resources, farming practices and socio-economic objectives, were grouped under the same model or “production system”^{4,5}.

Gross Value Added (GVA)⁶ – a “wealth created” indicator – was calculated for the different components of each production system (cereal-pulses, home-garden,

husbandry, coffee and honey), to evaluate the importance of coffee in the household economy. The labor calendar and the necessary labor-days were measured for each farming activity to identify labor peaks and better understand households' differentiated capacities to develop more intensive coffee management practices and potentially benefit from certification projects.

All these findings were then confronted with regional coffee development phenomenon: the forest concessions policy and coffee certification schemes (sections 6-7). The prior analysis of farming practices allowed us to evaluate the impact of forest dispossession in its full scope. It also revealed that certification schemes benefit small producers unequally, due to their priorities on food production and differentiated potential to grow and harvest large amounts of higher quality coffee.

2. Forests and Clearings' Integration: a Key-Issue for Farms' Autonomy

Most of the cleared cultivated areas in Woka Araba and Michiti are arranged in rings that encircle the house, which is usually located on the hilltops. An orchard-garden of diverse crops, locally called the *daddo*, surrounds the house. Farmers⁷ work the *daddo* intensely and manure it generously, as it yields food crops during the lean period before the September maize harvest.

Around this orchard-garden are plots for annual crop cultivation, the *goyetao*. Depending on the available manure, farmers either produce two crops a year in the same plot – an early sowing of maize followed by a second one of pulses or *tef* – or just one – rotating maize, *tef*, beans, sorghum and barley and leaving it fallow for a year or two. The *daddo* and the *goyetao* are scattered with isolated coffee trees, palm trees and

bamboo. Shelters built on higher slopes are used to observe the cultivated plots to prevent damage by granivores, particularly baboons.

Further below the cultivated slopes, wooded areas or *kubo* dominate the landscape. These areas do not have a homogeneous morphology. On the edge of the clearing, smallholders control individual forest plots where they grow coffee and spices, keep bees, collect wood and liana and, when necessary, clear a patch for expanding annual crops. But as one penetrates deeper into the wooded area, the forest becomes denser and less artificial. In these denser forests, honey, spices and lumber are the most common produce. Although these areas are usually demarcated as state forests, farmers exploit them individually, albeit in a way that respects collective regulations⁸. As we will see, concessions for big coffee estates affect both types of forest areas, the ones on the edge and the denser ones.

Forests and clearings are integrated areas of the smallholding. Indeed, crop and animal husbandry systems are dependent on access to wooded areas: cattle forage in them during the dry season, making forests essential for oxen maintenance and for fertility transfers to the cultivated fields. Farmers collect liana and different types of wood from the forest to construct hedges, houses or granaries and prepare hand tools for farm operations. Moreover, coffee, honey and spices collected from the forest provide liquidity used to pay taxes and purchase additional cattle.

Forest resources are essential to farming processes such as soil fertility and basic equipment maintenance. As such, they contribute to the relative autonomy of local farms. Hence, depriving forest access, as concessions for coffee investment do, threatens this autonomy and households' subsistence, as we will see further below.

3. Land Access, Animal Traction and Subtle Inequality

In Ethiopia, the current egalitarian land tenure structure is the result of the Agrarian Reform promoted under *Derg* regime in 1975. The reform instituted a policy based on land nationalization and redistribution to farmers under Peasant's Associations (Rahmato 1994), and abolished the social "feudal-like" relationships dominant under Haile Selassie (*Ibid*)⁹. In Kafa, and in particular in the "checkered" areas, all farmers received both forest and cleared plots, while deepest forests, beyond the perimeter used individually by small farmers, were classified as state forests. Exploitation of these were officially restricted but collectively organized *de facto* by the local peasantry until today.

Although it significantly evened out access to land, the 1975 Agrarian Reform did not erase unequal access to animal traction. Moreover, traces of former social relationships still persist today in the two villages studied. For example, after the fall of the *Derg*, descendants of the former local elite recovered exclusive rights over large areas of cleared forest – up to 30 ha – and now use them to feed their twenty-head cattle herds. Furthermore, the plots distributed to former sharecroppers were (and still are today) generally smaller than those allocated to independent farmers which were generally equipped with animal traction (around 4 hectares for the latter as opposed to 2-3 hectares for the former).

Because access to land and animal traction strongly influences labor allocation, the post-1975's developments resulted in differentiated farming strategies to develop coffee plantations (section 5). But before discussing the rationale of including coffee cultivation in different types of farming units, let us address the role of coffee in the local economy over the past century.

4. Coffee's Recent Appropriation as a Cash Crop by Small Farmers

In Kafa, coffee has traditionally been a source of monetary income for the political and economic elite. Indeed, the King of Kafa himself and, after the conquest of Menelik II in 1897, local elite and remarkable outsiders, would have been the first to benefit from trading coffee collected in region's dense forests (Lange 1982).

Coffee production in Kafa developed in the 1950s thanks to favorable international prices and facilities from FAO and USAID's "mission to Ethiopia" (Fee 1961 and Sylvain 1958). Then as now, domestic and foreign investors received large forest concessions from state reserves under Haile Selassie's rule, as well as credit access or technical support (Fee 1961). Relying on wage laborers, they cleared the forests they were granted to set up "commercial" coffee plantations, propagating spontaneous coffee trees and planting additional coffee seedlings produced in nurseries (Sylvain 1958). Around the same time, some peasants set out to produce coffee, but these attempts were limited to the reduced fringe of farmers who had private access to forested land.

During the 1970s and 1980s, coffee production decreased, due to low international prices (Guluma Gemedo 1994). Most plantations were abandoned and natural forest growth took over. It was only in the early and mid-2000s that coffee production resumed in Kafa, when local farmers re-possessed and expanded the former plantations of the 1950s-60s. Those from Michiti and Woka Araba affirm that the favorable coffee prices starting in 2004 were behind this recovery, as were new incentives resulting from the constitution of the KFCFCU¹⁰ coupled with "forest coffee" certification initiatives. However, they also maintain that expanding the land dedicated to coffee is increasingly a way to secure tenure in light of the current forest concessions policy.

Despite renewed interest in coffee, expansion has been limited among the farm units

surveyed in both villages: only the wealthiest local farmers have developed labor-intensive and profitable coffee operations. This trend can be explained by the differentiated farming practices and strategies resulting from the abovementioned trajectories and increasingly divergent accumulation capacities.

5. Prioritizing Food Security over Coffee Opportunities

Production systems identified in Michiti and Woka Araba call into question common claims regarding the central role of coffee in the household's economy: coffee represents between 4% to 12% of the total GVA. The share attributed to cereal and pulses is far greater: above 60%. Farmers' capacities to run a profitable coffee plantation vary considerably, as the following three contrasting production systems illustrate (figures 1-2).

The first corresponds to farmers who, for the past two or three generations, have exploited around 2.5 hectares of cleared areas and 1.5 hectares of forest, part of which is covered by coffee trees, either recently planted or from the plantations of the 1950s-60s. They also possess a full pair of oxen making it possible to sow maize as soon as weather permits, starting around February, so as to harvest it from August to September. Work continues into the following months – *tef* and pulses sown in June are harvested, and the fields are plowed to prepare for the next sowing of maize. Despite this, these farmers are able to weed their coffee forests in September and carry out a staggered harvest of coffee berries from October to December, rotating among the trees over the course of several months to obtain the best quality coffee beans required by the certified Michiti cooperative.

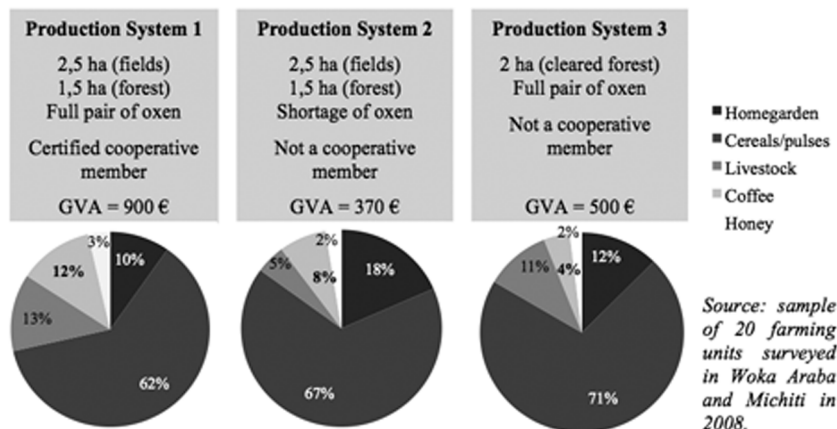
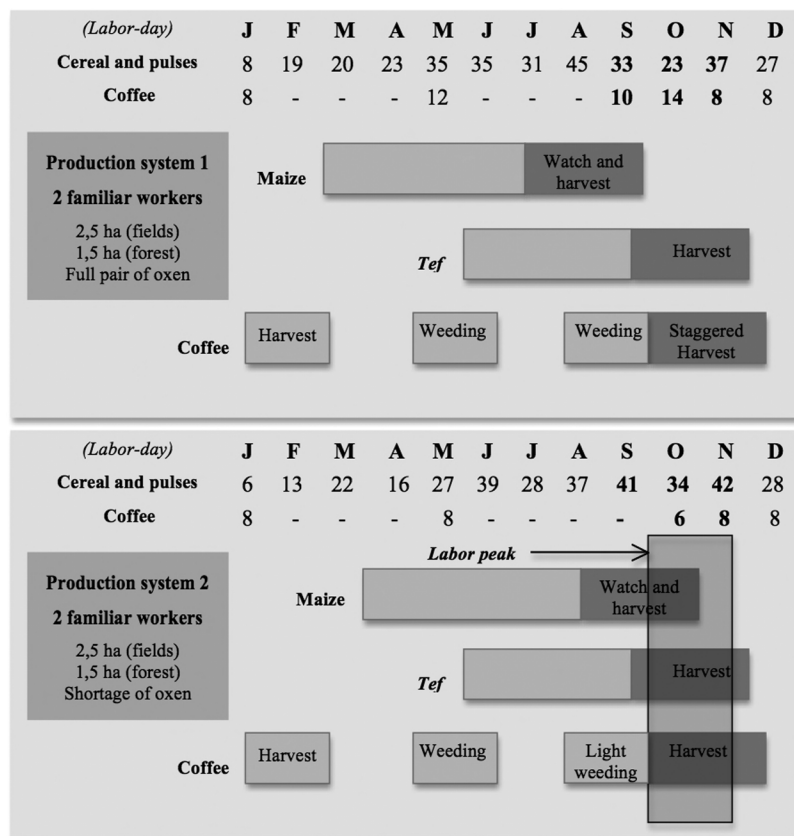


Figure 1. Share of coffee in the Gross Value Added (GVA) for three production systems identified in Michiti and Woka Araba. Source: sample of 20 farming units surveyed in Woka Araba and Michiti in 2008.

The second production system differs from the first in that the farmers do not have their own oxen and have to rely on sharecropping agreements with neighbors that do. Under these agreements, the oxen owner usually does the plowing and sowing work. The landowner must weed and harvest, and also keep wild granivores away during the month prior to harvest. Because the landowner is highly dependent on the agreement to produce maize and *tef*, he often accepts to sow relatively late, since the oxen owner sows his own land first. These farmers therefore harvest maize and *tef* later compared to those in the first production system. In particular, watching over the fields and harvesting take place between September and October.

The labor calendar and labor-days calculation reveal this gap (figure 2). The first production system requires about 56 labor-days for tasks related to annual crops between September and October, while in the latter, farmers spend about 75 labor-days for the same period since key tasks – keeping granivores away and harvesting maize – are still not completed. Under these conditions, farmers have less time to maintain coffee plots and practice a staggered harvest. Thus, volume and quality of the coffee collected does not incite this type of farmer to join the cooperative and benefit from

certification. The resulting coffee revenue gap between these two production systems is quite significant: about 75 to 100 €₂₀₀₈ for each hectare covered with coffee.



Source: sample of 20 farming units studied in Woka Araba and Michiti in 2008

Figure 2. Labor calendars, monthly labor-day requirements, and compatibility of coffee cultivation with cereal crops in production systems 1 and 2 (with and without oxen). Source: sample of 20 farming units studied in Woka Araba and Michiti in 2008.

In these two systems, farmers prioritize food production and allocate labor accordingly. In the third one the priority is also given to food self-sufficiency and both labor and land are allocated accordingly. These are farmers who have recently obtained 2 ha of forestland from authorities and have a pair of oxen. Since clearing all the land takes time, they propose temporary sharecropping agreements to neighbors lacking animal traction. They aim to clear the entire plot for cereal crops, keeping just a tenth of a hectare for coffee growing. Only once they have reached their limit in terms of cereal cultivation will they devote part of the land to coffee, as in the first example. For farmers

with their own set of oxen, this technical ceiling, which depends on the ability to watch over the plots to be harvested, comes to 2-2.5 hectares.

The priority given to food crops stems from the farmer's need to avoid risks and ensure his own food security. Coffee labor intensification – weeding and staggered harvesting – would increase potential income in all three production systems, but to the detriment of cereal yields. Furthermore, coffee trees are often attacked by *coffee berry disease*, which drastically reduces yields. Moreover, farmers fear coffee and cereal price volatility and prefer to produce their own food rather than depend on irregular monetary flows¹¹.

Still, some farmers manage to combine cereal cultivation with relatively lucrative coffee management practices because they have an adequate access to land and they possess their own set of oxen for plowing. In this case, coffee integrates more easily into the production system, since the level of access to resources and basic farming equipment make it possible to reach food supply objectives relatively quickly, before the coffee season. Moreover, the resulting volume and homogeneous quality of the harvest make it possible to benefit from the higher prices associated with certification proposed by cooperatives.

6. Increasingly Restricted Access to Resources Due to Forestry Concessions and Oversight

The “Forestry Conservation, Development and Utilization Proclamation No. 94/1994” of the government of the EPRDF¹² (Negarit Gazeta 1994) and its current update, “Proclamation No 542/2007” (Federal Negarit Gazeta 2007) have marked an important turning point for Ethiopian forest policy. They have opened the door to private management of forests by “investors” or “business organizations”. Moreover

both proclamations state that while inhabitants of state forests “would be beneficiaries from the [forest] development”, they must exploit them “in a manner that shall not obstruct forest development”. “Proclamation No. 542/2007” goes further by asserting that these inhabitants, if recommended by a “study” and after consultation with the “appropriate body”, “shall evacuate the [State] forest area and settle in other areas suitable for living”. These legal provisions have given rise to waves of state forest concessions to private investors to the detriment of the former local users, stripped of their formal and informal rights.

Forest concessions are contractual agreements between the applicant and the regional authorities, subject to federal government approval. The contract grants certain responsibilities to the beneficiary regarding the conservation and development of the concession. Indeed, the applicant must propose a development project and guarantee the required capital¹³. By 2008, coffee plantation projects already represented over 78% of the total investment areas in Kafa and land transfers had exceeded 18000 hectares (Tezera Chernet 2008)¹⁴. Forest concessions for coffee development vary from 10 to 1000 hectares, although 93% corresponds to big estates, over 200 hectares (*Ibid*). In Woka Araba, an area of 1000 ha that represents 42% of the municipality’s forest area, 37% of its total area and is populated by nearly 500 households, was granted in 2007 to a private export company.

In coffee investment areas, land is prepared more quickly than in smallholdings. Large quantities of coffee seedlings selected by JARC¹⁵ are produced in nurseries, so that the concession can start producing as soon as possible. Before coffee planting, a substantial salaried labor force clears the forests. On coffee estates, the salaries of permanent and temporary workers constitute the bulk of expenditures. Low wages and almost free land make these projects highly profitable for the investor.

This appropriation of land has directly impacted farmers' use of forest resources, as local populations are strictly forbidden access to the concessions. Both types of forests are affected, the thin ones located on the edge of clearings that are exploited individually – reallocated to investors under the pretext that they are “undeveloped” – as well as the denser state forests managed collectively. The result for farming units is a direct loss of income, as opportunities to produce honey, spices and coffee evaporate with forest access. It jeopardizes farmers autonomy, reliant on forest uses for cattle feeding, fertility transfers to fields, and raw materials for making tools and buildings. Finally, in the long run, it compromises the regular redistribution of land by local authorities to young farmers, a policy that eases demographic pressure.

In Michiti and Woka Araba, some farmers have responded by intensifying their coffee practices to secure land tenure, keeping their thin forest plots from being classified as “undeveloped” by authorities. Indeed, a wave of recent expropriations that have pushed farmers from forest plots allocated to them during the 1975's Agrarian Reform has led a number of farmers to expand the intensive management of their forest, in view of obtaining a holding certificate under the national land registration program underway since mid-2000s¹⁶. However, expanding coffee is not an easy task for most farmers, who lack oxen and labor resources to manage the labor peak in September-October. Those interviewed in Woka Araba assume that sooner or later they will lose individual rights to some of their forest plots.

For some denser and collectively managed forests, farmers are increasingly “invited” to join Participatory Forest Management (PFM) projects promoted by FAO and supervised by the state. In theory, the PFM framework encourages forest preservation by local user's groups constituted *ad hoc*, allowing sustainable use of forest resources based on guidelines laid out in a “conservation and exploitation program” document. For

instance, in the case of the “Baca forest user’s group” located in Michiti, the guidelines stipulate that forest coffee is to be expanded and sold through cooperatives, preferably using certified channels.

These initiatives somewhat constrain forest concessions’ movement but from the farmers’ standpoint, they are more restrictive than the previous collective form of forest exploitation, which was based on well-established neighbor relationships. PFM membership depends on regular participation in the different tasks – nurseries preparation, planting, maintaining paths, etc. – and yet outputs are limited since all forest produce – wood, spices, coffee or honey – needs to be declared and authorized prior to extraction. As a result, farmers do not find these projects particularly beneficial. Indeed, some of the members of the Baca user’s group admitted to staying in the group, only so as not lose access to the wood they need from the demarcated forests. Because the PFM schemes do not take into account farmers’ forms of organizing forest access and strip them of their former rights, many farmers are not interested in joining them.

7. Who’s Benefiting from Certified “Forest Coffee?”

Given this context, in which smallholders are dispossessed in the name of environmental protection and economic development, what can be said about the impact of recent certification schemes for local coffee? To answer this question, let us examine two initiatives in Kafa.

The first is the international program *UTZ-Certified* based on the application of EurepGAP (Good Agricultural Practices) standards and International Labor Organization conventions (Stellmacher and Grote 2011). The *UTZ* certification was granted in 2005 to Green-Coffee Agro-Industry PLC, owner of a 1120 ha state concession close to Michiti.

The higher price associated with certified operations probably constituted here an incentive – in addition to the land granted by the authorities – for this processing, warehousing and exporting company to get involved in production.

The case of Green-Coffee Agro-Industry is not an exception. Other export trading companies, members of the Ethiopian Coffee Exporters Association (ECEA) have recently invested in coffee production, taking the opportunity of public land access facilities and certification programs like *UTZ-certified*, but also *Organic-IFOAM* or *Rainforest Alliance*¹⁷. Because of their processing and storage capacity, these export companies absorb much of the coffee produced in the “smaller” estates (those under 100 ha). Eventually, all the coffee produced within coffee investment areas – both smaller and larger estates – will potentially be able to be dispatched through certified channels and benefit subsequently from more attractive prices, thus attracting further candidates for forest concessions. Ultimately, certifying private large estates will likely accelerate the appropriation of forests by coffee investors linked to export societies, thereby depriving smallholders of essential sources of income and raw materials for their farming operations and reducing their relative autonomy.

Some would argue that increased wages are a positive impact of such certification schemes for local populations. But plantations mainly offer temporary work for weeding and harvesting between September and January – the peak labor period for cereal crops – which means plantation work comes at the expense of food crop farming. It is no surprise then that local farmers do not choose this salaried-based alternative, which would undermine their quest for food self-sufficiency¹⁸. Moreover, salaried work is unstable. As the 2008 cereal price hikes revealed, relative changes in wages and food prices deeply affect day laborers, whose precarious situation makes them more vulnerable to fluctuations in purchasing power¹⁹.

More generally, allowing coffee from big estates to be certified under social criteria labels such as *UTZ-Certified* raises the ongoing debate around requirements for certification. This debate opposes the “stringent practices” point of view, which focus on smallholder producers’ interests, and the “minimum standards” approach that opens the door to big salaried plantations (Muradian and Pelupessy 2005). This controversy is behind the split between *Fair-Trade USA* and Fair-Trade Labeling Organization²⁰. The former has recently opened up to the plantation model, joining the “minimum standard” position embraced by certifiers as *UTZ-Certified* but banned by FLO.

The second initiative we studied in Kafa follows FLO-like guidelines: a PPP that unites foundations, local institutions, research centers and a food industry company²¹. Under this project, smallholders’ coffee production is collected by primary cooperatives and then marketed by the KFCFCU. It is then sold in Germany and other western countries as an “Organic” and “Fair-Trade” product²² and called “wild coffee”. The Ethiopian-German research team behind this initiative aims to preserve the genetic pool of Arabica coffee of southwest Ethiopia, through economic incentives proposed to locals: members of the cooperative would benefit from higher prices than in the “conventional” market by obtaining a premium for exporting “wild coffee”.

Nevertheless, not everyone is able to market coffee through the cooperative. The entrance fee is dissuasive for farmers with small volumes to deliver. And, given the quality requirements for export, the cooperative only accepts red berries²³. This implies a staggered harvest: a labor-intensive practice only within reach of farmers with access to land and oxen, and time to spare during the coffee harvest period. Thus, even though this certification initiative relies on independent and “internally democratic” cooperatives, it is far from socially inclusive: in the areas covered by the cooperative

network, coffee certification benefits the relatively well-off farmers, thus increasing inequalities with cumulative effects that could impact local social cohesion.

Moreover, producers raise the problem of the deferred payment of the premium. Some members of the Michiti cooperative maintain that the premium is only paid several months after the coffee's sale to the cooperative. This situation has also been detected in other primary coffee cooperatives (Stellmacher and Grote 2011). In addition, depending on the year, the cooperative might offer a lower price than local merchants. While the premium compensates for this price difference, urgent cash needs can force farmers to sell in the conventional market, thereby forfeiting the premium. Here again, well-off farmers with stronger liquid assets benefit more from certification than others. In any case, because of the cooperative's difficulty to store and transport large amounts of coffee, only a reduced proportion of coffee delivered by members ultimately enters certified channels. Most of it is transferred from the cooperative to the conventional market (*Ibid*).

The price incentive is also designed to preserve the genetic diversity of Arabica coffee. It aims to promote the "forest coffee" production system through "wild coffee" appellation, in which human intervention is minimal – reduced in theory, to cherry picking. However, how can we balance the need to meet this environmental objective – quite unconnected from peasantry's daily needs – while generating higher incomes for farmers? What price differential is needed to promote such a balance? Can this environmental objective be reached if one considers that only small amounts of coffee produced by Kafa farmers are harvested from non-managed forests (Volkman 2008)?

Indeed, more intensive coffee management practices have been detected among certified cooperatives' members in the current context of favorable coffee prices (Stellmacher and Grote 2011). Low yields from "forest coffee" management and the

potential marginal increase in labor productivity resulting from the intensified practices some farmers are able to develop, suggest a predictable antagonism between the objective of improving rural livelihoods and the environmental prerogative associated with this initiative. Moreover, given the resulting confusion over what constitutes “wild forest coffee”, this appellation could become increasingly profitable for traders and retailers (Volkman 2008) as well as for coffee investors – closely linked with export channels – who are gambling on profitable symbolism derived from “wild” or “forest” appellations.

Conclusion

With the hindsight of a systemic study of differentiated farming strategies in two representative villages of Kafa’s coffee-growing areas, we can assert that coffee does not carry predominant weight in farmers’ incomes when compared to food crops. Furthermore, this food production-based income strongly relies on forest access to ensure soil fertility transfers, oxen maintenance, and supply of raw materials.

Nevertheless, in some cases, farmers are able to develop quite intensive coffee practices. By increasing weeding and adapting to export quality standards, they are able to obtain considerable cash income. These practices can be developed when land access and farming equipment – plough and a pair of oxen – do not impede food production, like in the first production system described. Conversely, traction-less farmers who are dependent on sharecropping agreements – those under the second production system – are unable to devote time to intensive coffee practices since their labor calendar lags behind those who are better equipped. Similarly, farmers with access to allocations of 2 ha – grouped under the third model – tend to reserve very small plots for coffee, since

priority is given to expanding cereal cultivation as much as the equipment and key-tasks' labor demand permit.

For the last decade, this local peasantry has faced diverse “top-down” development initiatives, namely concessions for coffee investment and coffee certification schemes. The result of these interactions does not appear to benefit local peasantry as a whole. “Wild coffee” certification schemes associated with coffee cooperatives as in Michiti, appear to favor relatively well-off farmers. Indeed, price incentives risk contributing to even greater socioeconomic differentiation, jeopardizing basic neighborhood relationships centered on risk-pooling practices and serving a kind of “collective interest”²⁴.

But above all, certification might accelerate the development of large coffee plantations favored under the state's current land policy, at the expense of forest areas that are an integral part of peasant's farming units, since coffee investors tend to speculate on the supposed profitability of different appellations, as the example of the *UTZ-certified* estate suggests.

Authorities promote the supposedly more competitive large-scale model for coffee production, as if smallholder producers were not qualified to meet the expected coffee-based wealth creation potential needed to ensure export earnings. And yet, the development of small coffee plantations on the edge of forests demonstrates the ability of farmers to allocate scarce resources optimally when they have the minimum means to ensure their food security. Of course, this development is admittedly a strategy for securing land. However, the very recent first attempts to expand coffee cultivation using shade-tree species developed *ex nihilo* on land previously used for cereal crops show that farmers are indeed willing to grow coffee, so long as it does not put the rest of their production systems in danger.

An alternative regional development strategy could be based on supporting this farming model that balances food security objectives and exported coffee earnings while propitiating biomass creation – or at least its maintenance – thus responding to environmental issues as well. Under this strategy, coffee certification schemes could have a significant role provided the corresponding guidelines take into account the complexity of farmers' practices and objectives. More precisely, certification should be more inclusive and favor local socioeconomic cohesion while helping farmers in their quest of autonomy, particularly food security. Operating on a cooperative basis, it ought to reduce membership fees and payment delays and set the appropriate mechanisms to limit the coffee area cultivated and the volumes delivered by each member. In order to coincide with farmers' food production objectives, certification should also be linked to facilities to access animal traction and, taking inspiration from well-rooted neighborhood relationships, couple coffee transactions with a mutual food storage mechanism relying on regular contributions from members.

References

Bacon, C.M., V.E. Méndez, M.E. Flores Gómez, D. Stuart, and S.R. Díaz Flores. 2008. Are sustainable coffee certifications enough to secure farmer livelihoods? The Millennium Development Goals and Nicaragua's Fair Trade cooperatives. *Globalizations*. 5(2): 259-274.

Cochet, H. 2012. The *systeme agraire* concept in francophone peasant studies. *Geoforum*. 43: 128-136.

CoCE : Conservation and use of wild populations of *Coffea arabica* in the montane rainforests of Ethiopia (last update 2008). List of main partner institutions.

<http://www.coffee.uni-bonn.de/partners.html> (accessed 26 June 2012)

Deininger, K., D.A Ali, S. Holden, and J. Zevenbergen. 2007. *Rural land certification in Ethiopia: process, initial impact, and implications for other African countries*. World Bank Policy Research Working Paper 4218. Washington: World Bank.

Dercon, S., J. De Weerd, T. Bold, and A. Pankhurst. 2006. Group-based funeral insurance in Ethiopia and Tanzania. *World Development*. 34(4): 685-703.

Dufumier, M. 1995. Understand complexity: classification of farm holdings for diagnostic analysis of agrarian situations. *The Rural Extension Bulletin*. 7: 17-23.

Fair-Trade International. 2011. *Joint Announcement From Fairtrade International and Fair Trade USA*. 15th September 2011.

http://www.fairtrade.net/single_view1+m5dc4394fdfd.html (accessed 25 June 2012).

FAO (last update 2012). Participatory Forestry.

<http://www.fao.org/forestry/participatory/en/> (accessed 2 July 2012)

Federal Negarit Gazeta of the Federal Democratic Republic of Ethiopia. 1998. Proclamation No. 147/1998. A Proclamation to Provide for the Establishment of Cooperatives Societies. 29th December 1998. Addis Ababa. Ethiopia.

Federal Negarit Gazeta of the Federal Democratic Republic of Ethiopia. 2005. Proclamation No. 456/2005. Rural Land Administration and Land Use Proclamation. 15^h July 2005. Addis Ababa. Ethiopia.

Federal Negarit Gazeta of the Federal Democratic Republic of Ethiopia. 2007. Proclamation No. 542/2007. A Proclamation to Provide for the Development Conservation and Utilization of Forests. 4th September 2007. Addis Ababa. Ethiopia.

Fee, C. 1961. Coffee. In *Agriculture in Ethiopia*, eds. Huffnagel H.P., pp. 204- 227. Rome: FAO.

Guluma Gameda, 1994. Some Aspects of Agrarian Change in the Gibe Region: The Rise and Fall of Modern Coffee Farmers, 1948-1976. In *Proceedings of The Twelfth International Conference of Ethiopian Studies*, eds. Marcus, H. pp 723-736. Michigan: The Red Sea Press.

Lange, W.J. 1982. *History of the Southern Gonga (Southern Ethiopia)*. Studien zur Kulturkunde 61. [Studies on Culture]. Frankfurt/Main: Franz Steiner Verlag-Wiesbaden.

Mayne, R., Abera Tola and Gezahegn Abera. 2002. *Crisis in the Birthplace of Coffee*. Oxfam International Research Paper. September 2002. Oxfam International. Oxford. United Kingdom.

Muradian, R., and W. Pelupessy. 2005. Governing the Coffee Chain: The Role of Voluntary Regulatory Systems. *World Development*. 33 (12): 2029-2044.

Negarit Gazeta of the Transitional Government of Ethiopia. 1994. Proclamation No. 94/1994. A Proclamation to Provide for the Conservation, Development and Utilization of Forests. 28th March 1994. Addis Ababa. Ethiopia.

Petit, N. 2007. Ethiopia's Coffee Sector: A Bitter or Better Future? *Journal of Agrarian Change*. 7(2): 225-263.

Ponte, S. 2002. The “Latte Revolution”? Regulation, Markets and Consumption in the Global Coffee Chain. *World Development*. 30(7): 1099-1122.

Rahmato Dessalegn 1994. Land tenure and land policy in Ethiopia after the Derg. In *Proceedings of The Twelfth International Conference of Ethiopian Studies*, eds. Marcus, H. pp 260-284. Michigan: The Red Sea Press.

Renard, M-C. 2003. Fair Trade: quality, market and conventions. *Journal of Rural Studies*. 19(1): 87-96.

Stellmacher, T. and U. Grote. 2011. *Forest Coffee Certification in Ethiopia: Economic Boon or Ecological Bane?* Working Paper Series 76. Bonn: ZEF-University of Bonn.

Sylvain, P. 1958. Ethiopian Coffee: Its Significance to World Coffee Problems. *Economic Botany*. 12(2): 111-139

Tezera Chernet. 2008. *Land Resources and socio-economic report of Bonga, Boginda, Mankira and the surrounding areas in Kaffa zone*. Kafa Report for Kafa Biosphere Reserve Initiative. Addis Ababa. Ethiopia.

Online: <http://www.kafa-biosphere.com/assets/content-documents/KafaLand-use-Survey-Final-Report.pdf> (accessed 2 July 2012)

Valkila J. and A. Nygren 2010. Impacts of Fair Trade certification on coffee farmers, cooperatives and laborers in Nicaragua. *Agriculture and Human Values*. 27(3): 321-333.

Volkman, J. 2008. *How 'Wild' is Ethiopian Forest Coffee? The Disenchantment of a Myth*. Conservation and use of wild populations of *Coffea arabica* in the montane rainforests of Ethiopia (CoCE) Project Report Subproject 5.4.

Online: <http://www.evolve-sustainable-development.de> (accessed 2 July 2012)

¹ For more details concerning Ethiopian coffee value chain see Petit (2007).

² Michiti cooperative collects coffee both from Michiti and Woka Araba. Coffee is subsequently transported to “Kafa Forest Coffee Farmers Cooperative Union” (KFCFCU) before dispatching to export channels departing from Addis Ababa. Part of the coffee collected by this cooperative is certified through the PPP discussed on section 7.

³ This sample was not randomly selected, but designed to cover as many trajectories as possible, according to when the household was set up, the way access to resources have evolved, and how the farming practices have changed over time.

⁴ Six production systems were identified in the study region. Only three are reported here to highlight the relationship between farmers’ differentiation and coffee cultivation.

⁵ “Production systems” refers here to the combination of different farming and animal husbandry systems practiced by farmers.

⁶ GVA is the difference between “gross product” and “production costs”. It includes both sold and self-consumed products.

⁷ Men have the control over principal cash entries (coffee) and the main means of production (oxen). Although gender division of work exists, many operations – weeding and harvesting coffee and cereals for instance – are carried out both by men and women. Keeping such gender relationships in mind, we use the term “farmer(s)” to refer to the family labor force as a whole.

⁸ The collective organization of forest resource use is one element of the wide range of social relationships based on neighborhood ties and centered on *iddir*, a burial institution with origins in northern Ethiopia (Dercon et al. 2006). According to local informants, in the

villages we studied, *iddir* helps peasants manage risk through monetary and labor pooling practices, and mediate conflicts over shared resources.

⁹ According to the stories collected from elders in Woka Araba and Michiti, before 1975 the peasantry was composed of independent and tributary farmers on the one hand, and sharecroppers on the other. The latter were unable to pay monetary levies and leased land and oxen from the local elite and from the “independent-tributary farmers”.

¹⁰ KFCFCU: see endnote 2. Four coffee producers’ unions – Sidama, Oromiya, Yirgacheffe and Kafa – were set up after the Federal Proclamation No 147/1998 (Federal Negarit Gazeta 1998).

¹¹ Between 2007 and 2008 the price of cereals doubled while the price of coffee remained stable (source: surveys led by the authors in Wush-Wush market and KFCFCU on October 2008).

¹² EPRDF: *Ethiopian People’s Revolutionary Democratic Front*. Ruler party between 1991 and today.

¹³ Source: two local informants 1. Local coffee producer, beneficiary in 2005 of a 15 ha concession in Michiti, and 2. The manager of a 1000 ha forest granted in 2007 for coffee investment in Woka Araba. For this concession, an investment of 17 million ETB₂₀₀₈ (about one million €₂₀₀₈) was required.

¹⁴ Honey, spices and tea represented the main other productions present on investment areas (Tezera Chernet 2008).

¹⁵ JARC: *Jimma Agricultural Research Center* is a public research institute located in Jimma, Ethiopia.

¹⁶ Land registration programs supported by World Bank, have been developed in Ethiopia since 456/2005 Federal Proclamation (Federal Negarit Gazeta 2005). Their main objective is to ensure farmers’ land tenure by delivering holding certificates (Deininger et al. 2007).

¹⁷ A 1000 ha plantation owned by Midroc-Agriceft export company, located in the neighboring Sheka Zone, has also been *UTZ certified*. Similarly, the coffee from another 1000 ha owned by Daye-Bensa Export PLC has been labeled organic. Two investors interviewed who were recently granted 200 ha and 1000 ha in Michiti and Woka Araba respectively, both presented us their coffee as “forest coffee” and affirmed expectations of eventual *UTZ* certification under the appellation “forest organic coffee” to obtain higher market value.

¹⁸ Workers employed by the coffee estates are usually from densely populated areas or surrounding towns. Insufficient labor-force supply appears to hinder somehow coffee plantation projects as the slow expansion of the 1000 ha forest grant in Woka Araba indicates: only 100 ha have been planted in three years.

¹⁹ Day laborer wages on coffee plantations did not increase with the rise in cereal prices in

2007-2008, and at the time of study remained at 5-8 ETB/day (source: laborers interviewed in November 2008).

²⁰ See joint announcement from Fair-trade International and Fair-Trade USA (Fair-Trade International 2011).

²¹ Some of the partners are: ZEF-Bonn, Addis Ababa University, KFCFCU, GTZ and Kraft Foods (CoCE 2008)

²² Controlling agencies are “BCS-Öko” and “Fair for Life”.

²³ Farmers deliver either red berries to be dried in the cooperative’s plants or dried beans obtained from red berries that are home-processed. Coffee wet process is absent in Kafa.

²⁴ A “collective interest” that must be considered as a “made virtue necessity”, maintaining certain level of social cohesion despite of the emerging socioeconomic differentiation.