



Tropentag, September 17-19, 2014, Prague, Czech Republic

“Bridging the gap between increasing knowledge and decreasing resources”

Factors Influencing Coffee Marketing Strategies among Coffee Farmers in Ggolo Parish, Uganda

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Abstract

This study aims to understand the factors leading small coffee farmers to choose between selling their coffee to the rural traders (farm gate) or to the regional dehusking factory available in the Ggolo parish, Nkozy Sub-County, Mpigi District in Uganda. Prices obtained at the producer level vary according the marketing strategy. Therefore, this study was conducted to: i) analyse the relationship between factors influencing the choice in the marketing strategies, and ii) compare the revenue from the different marketing strategies. Data for the survey was generated through semi-structured interviews, cross sectional surveys, participant observation, personal interviews and one focus group discussion. Results show that 58% of the farmers combine both strategies, while 25% sales to rural traders and 16% only sale to the regional factory respectively. Most influential factors driving the marketing choice were found to be, the quantity of coffee produced, the quality level of the harvest, the different income generating activities and the cash availability of the households. From the regional factory, the coffee is traded through middlemen to the exporting companies, who take the product to the international market which indicates that the small scale coffee farmers are distant from the international markets. Here we notice that to benefit resource poor farmers, shortening the coffee supply chain is needed. One possibility could include building trust among farmers and establish farmers associations to market the coffee more efficiently and access higher value markets and avoid selling to the rural traders at the farm level. This and other similar strategies would help farmers to get a better income. In Uganda, this will benefit over two-thirds of the country households which depend on coffee production as a source of income. Hence, this reflects the urge for a better marketing strategy which addresses the underlying factors behind the choices of coffee marketing at the production level.

Keywords: Coffee, marketing strategies, supply chain