

# Land Tenure, Labor Allocation and Life of Coffee Farmers in Coffee Producing Areas: The Case of Jimma and Limmu Awrajas since 20<sup>th</sup> c

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## Abstract

The main purpose of this study was to reveal Land Tenure System, Labor allocation, Life of Coffee farmers, and risk management strategies in Coffee Producing areas in former Jimma and Limmu *Awrajas*, the current Jimma Zone since 20<sup>th</sup> c. In this study the researcher employed both the primary and secondary sources and different data gathering instruments. Secondary data sources were collected by brief review of related literatures by assessing published and unpublished materials. The available oral traditions were used as sources of data. Additionally, these data were described, expressed and articulated qualitatively. Finally, all data were analyzed and interpreted carefully in accordance with the standardized rules of the social science disciplines. Even though there are works that done on coffee; most of them are focus on marketing and agricultural aspects of coffee production. The attention given for land holding system, labor intensity and the life of coffee farmers in coffee producing areas are very little. Therefore, this work tried to fill the gap that left by other written materials so far and contributed something in enriching the condition of Coffee farmers. When we compare with other regions, the yield and production level of coffee in this *awrajas* is extremely low. It had been affected by several factors. For instance, coffee disease, drought, land tenure system, Nature of Coffee Plant, Environmental factors, Lack of Institutional Organization, both Processing and harvesting methods. However, there are several risk management strategies that adopted by other parts coffee farmers. These are diversifying income source by intercropping, shifting the environment, saving assets, sharecropping, borrow money from various institutions, uprooting the more risky coffee trees and replacing them by other less risky trees. Additionally, after Jimma and its surrounding came under the central government more lands were possessed by land lords and king. Poor peasants and rent-paying tenants lacked the right of land ownership to cultivate coffee. In contrast, after the socialist government came to power, even if some reforms are introduced and the former landless farmers enjoyed the right to have land based upon the size of their family. However, still the economic benefit of coffee farmers and the benefit they obtained from coffee production and marketing are also not getting enough attention. As Coffee moves through many steps the value of the coffee increases and it shows the very low return received by growers. Generally, during good coffee harvesting season the economic capacity of peasants would be better than other seasons. They misused the resource obtained from coffee sale. However, during bad coffee year they began suffering a lot and forced to go to borrow money from rich peasants, local landlords and merchants. Coffee farmers are not more profitable from coffee production and marketing. They work hard but obtain little. Probably it was a good chance for merchants, landlords, government officials and coffee exporters.

**Keywords:** Land, Labor, Coffee Production, Jimma, Limmu, Coffee Farmers

## Introduction

Gibe region was a very fertile and favorable environment for agriculture. It was also admired by many scholars for its strategic position for trade. The soil was so fertile; the climate was the suitable, rich water especially the great rivers such as the Gibe, Gojeb, Baro and Dhidhessa provided for irrigation [1]. Since the seventeenth century, the Ennarya region had come under the control of the Oromo people and later it became the landscape of the Gibe Oromo states. It is believed that, it was here that, the *Sadacha* confederacy formed the five Gibe Oromo states (*Shanan Gibe*) in the first half of nineteenth century. These states were Limmu Ennarya, Gumma, Gomma, Jimma and Gera [2]. Additionally, it was the *Sadacha* confederacy of Limmu group that formed the first modern Gibe state in about 1800, called Limmu-Ennarya. Regarding Gibe states, Mohammed established his own view that the year 1800 was a turning point and a period when a new political structure was formed in the region [3]. The *Macca* group of *Sadacha* underwent some changes in the Gibe region; these were involvement in agricultural production and trade. For example, in the 1850's the monarchs of Gibe states owned large plot of land which they used for coffee production [4].

According to the oral tradition of the Oromo of the Gibe region, coffee cultivation was started in Gomma after the 1870's and spread to the rest of the Gibe Oromo states. After the cultivation of coffee was started in Gomma district, Limmu Ennarya became the leading coffee producer in the region [5]. As sources indicated coffee export was started in the 19<sup>th</sup> century from this region. During the period under discussion, there was huge amount of coffee export to northern Ethiopia from this region and it had significantly contributed for the

economic progress of the Gibe Oromo states and for the northern Ethiopia merchants[6]. But, after the conquest of the Oromo of the Gibe states by Menelik in the 1880's and incorporation of the region in to the Ethiopia empire, the land tenure system was changed and coffee cultivation and its profit was mostly shifted from the indigenous people to the *neftenya* settlers[7]. As the demand for coffee was increased locally, nationally and internationally local landlord (*balabbats*), the *neftenya* (agents of the imperial state) and peasants began to be more competent in coffee production and trade [8].

### **Land Tenure System in Jimma and Limmu Awrajas**

As indicated by different scholars, farm size is one of the determinant factors for agricultural production and the farmers living condition. Human beings are directly or indirectly depend on land. Thus; land is one of the key natural resources that should be used properly to get sustainable agricultural development. Before the 18<sup>th</sup> century, in Jimma and its surrounding, land had been held as a common property by which all clan members had equal access to it. Mohammed puts this right as: "Earlier during the Oromo expansion land in Gibe region being the common property of the whole clan. With the transformation of Matcha mode of production, land not only gained economic value but also generated struggle among the war leaders for its possession" [9]. The above information asserts the importance of competition over extensive land and the emergence of class after the transformation of the Matcha's mode of production[10].

After the second half of the 19<sup>th</sup> century, the hereditary rulers of Jimma had distributed newly conquered lands among upper-class of ruling families. This was a sign of collection of land in the hands of the ruling class of Jimma Abba Jifar[11]. In the end of the 19<sup>th</sup> the century, during the reign of Abba Jifar II, land belonged to big landowners called *Abba Lafa* in Jimma kingdom. Those received their estates (15 to 20 hectares, sometimes up to 40 hectares or one *gasha*) from the king remained the absolute owners. *Abba Lafa* employed *tenants*, which remained landless. They were given small plot of land about half of a *fetchassa* (0.25 hectare of land) to take the yield for themselves. They had to work one day per week on a land of *Abba Lafa* and forced to cultivate two *fetchassa plots* for *gultegna* which they kept one third to half production for themselves in crop sharing arrangement. They had power over peasant living on land assigned for *gult* holder and they also were allowed to covert certain hold into private *tenure*[12]. Mohammed outlined this as: "the greater part of the land in Gibe region cultivated and uncultivated, as well as forests lands belonged to the king[13]." But the majority of ordinary population was left with small plot of land and others totally reduced to rent paying *tenants*. In the case of Jimma kingdom, land was the most crucial economic resource and it was acquired through conquest, purchasing, and traditional occupation and through family line. In the study area, land possession was also attained through gifts given by king in return for their religion service. Furthermore, land was rented cheaply to rich merchants [14].

In the post conquest of the late 19<sup>th</sup> century, the new feudal class structure in the neighboring areas of south nations, nationalities and people; wealthy landlord exploited landless tenants. *Tenants*, paid to land owners on as high as 50% of their produce [15]. During the Haile Selassie I regime (1930-1974), paid annual taxes (fifty cents per *fetchassa*). As Guluma indicated in the conquered region of the Gibe region, the land hold systems were redistributed. Although, the peaceful submission of Jimma Abba Jifar paved good opportunity and helped the kingdom to be free from land alienation. Nevertheless, after Jimma came under the central government, it led to lose of huge land to the central government [16]. Generally, before 1974 had feudal character and more land was possessed by a few lands owning people. Poor peasants who had only small plots of land and rent-paying tenants lacked the spirit of individualism and self-motivation to cultivate coffee or food crops effectively. The tenants' labor was exploited by both land lords and kings. For instance, failure to fight with enemy of king, failure to pay government tax, failure to engage in curve labor and so on led to confiscation of their land [17].

During the five year of occupation (1936-1941), Italians had tried to abolish old land tenuresystem mainly to win the loyalty of peasants. According to tradition, on the eve of Italian occupation the majority of land was taken back to the indigenous population. The Italian administration in Jimma cut the imperial political and economic centralization such as taxation system, redistribution of land and other administrative reforms. By opposing imperial interference in Jimma, Abba Jobir Abba Dula accepted Italian domination in Jimma. During the period under discussion, the land which was given to imperial soldiers was either given back to former owners or brought under Italian control[18]. The Italian colonial administrators did not control all socio-economic activities of Jimma. According to Jimma oral tradition, some socio-economic affairs at local level had been handled by indigenous chief. Some exploiting feudal land tenure system was abolished by Italians[19].

However, in the post liberation period; the restored Ethiopian government took measures to alienate land from peasants through land measurement, land sale, land grants, increment of taxation and etc. Most probably this case was aggravated as a result of coffee price increase in the 1950's to 1960's. Land measurement was not implemented in the study area, particularly, in Jimma until the 1950's[20]. Additionally, scholars asserts that land transfer to the government through many ways: There are two ways though which some of the petty land holders were forced to lose their holdings when they accused of failing to pay taxes and their holdings were transferred

to government possession as “gibretel”. In 1951/52 for example, a total of 6,004 gashas of land were reported to have possession, as a result of owners failed to pay taxes. Another major means of expropriation the petty owners of their agricultural lands was through reassessment of ‘excess land’ [21].

Besides, privatization through fake purchasing paved the way for accumulation of land into the hand of wealth class. People like *Ras Mesfin Sileshi* took part in purchasing of coffee land and this raised price of land and influenced poor landless peasants. *Tenants* had lived by providing their labor to new rich coffee farmers renting their own previous land. Even, government officials considered poor peasants as they were not able to cultivated land except providing labor. For instance, *Guluma* cited *Ras Mesfin’s* attitude towards peasants as “coffee cultivation is a job of wealthy men that the poor could not able to manage.” [22]. As it has been discussed above, during the coffee boom of the 1960’s and early 1970’s, an increasing number of local population lost more and more land as a result of which local peasants reduced land covered by food crops and large portion of agricultural land in this *Awraja* began to be covered by coffee plant. These growing population and coffee production were socio-economic necessities that created pressure on land use. Furthermore, this massive movement of population caused land scarcity. As a result of population growth, large areas which were once under forest, bush and grazing land are now changed to cultivated land. As the area became over populated, land began to be fragmented and the farmers are obligated to cultivate on hillsides and steep slopes. As a result of this natural and human factors exposed the area to erosion and it has lost its fertility [23].

On March 4, 1975, the *Derg* announced its land reform program. As it is believed, the objective of this land reform was to end the unfair landlord-tenant relationship. To change this reform into action, the government nationalized rural land and abolished *tenancy*, forbade the usage of wage labor on private farms, abolished the supremacy Orthodox Church and ordered commercial farms to remain under government control. All adult farmers were allowed to have plots. Each married peasant was given about four *fetchassa*, and often supplementary lands (four to six *fetchassa*). No right to sell and exchange land. The transfer of land through long term lease has also been forbidden [24]. Former *tenants* were given the fields where they had grown cash and cereal crops and large-scale landlords lost most of their lands, which were redistributed to peasants except for only 5 *facasa* (about 1.8ha) reserved for themselves. Under this policy, as many informants remembered, farmers were given land use right receiving land based on family size. The former landless farmers enjoyed the right to have land based upon the size of their family. It was not allowed to have more than ten hectares. Every young above 18 years old was entitled to have farm land and land use right could be hereditary. Under *Derg* regime coffee-growing villages of the study area have experienced the integration of rural land that they had owned and used the peasants through three national organizations: the peasant association (*geberewoch mahber*), the state farm, and the producers’ cooperative [25].

Moreover, starting from 1976, the government encouraged farmers to form cooperatives. The *Dreg* issued the formation of service and producer’s cooperative. As it is believed, service cooperatives provided basic service such as the sale of farm inputs, consumer items, the provision of loans, the education of peasant association and etc [26]. While, the producer cooperatives alleviated shortage of inputs and problems associated with the division land holdings. The reason for the establishment of these cooperatives was a belief that small farmers were inefficient and was unable to take advantage of economic scales and to encourage them to be self-sufficient [27]. Other than the state farm, in Gomma the first Agricultural Producers’ Cooperative (PC) was established around 1979/80 in a part of “forest land”. This was a collective farm in terms of the policy of agricultural socialization and managed autonomously by each PA. People called it *amrachi* (producer). The PC started its activities in earnest in 1981/82 with 23 households and then expanded in 1984/85 to 70 households. As informants said, the peasants joined the PC voluntarily to escape from the collective work of the PA, from which they would get nothing in return for working on it. State coffee farm, in Limmu *Awraja* expanded gradually from 1979/80 in modern ways and planting of new coffee seedlings of an improved variety was under taken after electricity was installed for the workers and the road was improved for transportation. Settlements along the street followed and several merchants opened small shops there. In the course of this expansion, the peasants living in the state farm areas were expelled [28].

After 1982/83, collectivization was increased and the members spent much of their time working not only for the coffee plantations, but also for the *Derg* soldiers or for households lacking labor. An office of the Workers’ Party of Ethiopia (WPE) established in Gomma district around 1984/85 and played an important role in relocating peasants and dislocated on state farm by confiscated of their land. The party organized a new employment campaign in which it employed the peasants living on the state farm as laborers. When they became laborers, they were offered new houses in workers’ villages and some plots for private cultivation. Furthermore, employment of peasants living outside the state coffee farm areas was also encouraged and their land was given in compensation to those peasants who had lost their land and refused to work in the state farm. At this time, many peasants lost their land to a contract and became farm laborers. This massive campaign of employment and uprooting of peasants by the state farm reached its peak in 1984/85. About 70-100 peasants of Qomba villagers in Gomma district alone lose their land to the state farm and became full-time plantation workers [29].

Additionally in 1985, the government initiated a new relocation program called “villagization”. The objective of this program was to group scattered farming communities into clustered villages. It aimed at promoting rational land use, conserving resources, provision of access to clean water, health and education. Many farmers remember episode the program as unplanned and difficulty for agricultural economy because, the government relocated many peasants far from their farms during the planting and harvesting seasons [30]. It could also have a negative consequence on local resources particularly; it accelerated the spread of communicable diseases, increased plant pests and diseases [CBD]. However, after 1990 new economic policies and governmental reforms were introduced and the rural societies have changed. Once again peasants gain legal ownership of the crops, plants and trees on their land. Under such circumstance, PA have considerably been weakened, grain market restriction and quota deliveries were abolished [31].

### **Labor Allocation for Coffee Production in Jimma and Limmu *Awrajas***

In the 1960’s when the coffee demand increased, not only indigenous coffee farmers that were attracted towards coffee production but also migrant laborers and government officials. It is during this period that large number of laborers came to the area and participated in coffee production and marketing. Hence, Jimma and Limmu *awrajas* were the major coffee producing areas of southwestern part of Ethiopia, different people moved from their homeland to this *awrajas* for different purposes. Many factors might have pushed these people to migrate to the study areas. For instance, population growth, lack of employment opportunity, poverty, famine, scarcity of land in their home land areas and etc. The rapid growing of coffee plantation attracted this community. Most of them came to the area as seasonal workers in to both state farm and local peasants' farms. However, during imperial period such migrant workers did not settle in the village of the study areas. But, they returned to their homeland at the end of the coffee season [32].

According to Yonas, these migrants could be categorized into two: long distance and short distance migrants. Thus, from this historical fact the long distance migrants were those who came from northern and central part of Ethiopia at of different time. For instance, they came from the regions of Gonder, Gojjam, Wollo and Showa in the 1930’s. Others came to these *awrajas* in around 1950’s and 1960’s due to the growing of coffee price and development of different infrastructure such as transportation, communication, road and rail network facilities. During the period under discussion, the Guraghe of Sodo was perhaps the largest group who came to these areas from far away region. The short distance migrants, particularly from today’s Southern Nations Nationalities and peoples’ region of Kafficho, Dawuro, Yem, Hadiya, Kambata, Walayta and others migrated to Jimma and its environs. Young unmarried men moved to the rural and urban areas of Jimma and its surroundings to live temporarily for the purpose of getting money for marriage, education and other purposes [33].

It was also during 1960’s that the imperial government declared the resettlement scheme and many landless peasants from Showa region came and settled in the study area, particularly, in the districts of Mana, Deddo and Omo Nadda. It was in the *Derg* era that some Southern peoples such as Dawuro began to acquire lands in the villages and settled down. At first, most of them came to Jimma and its surroundings as laborers in the state farms, which offered those houses and some small plots of lands in the workers' village. They earned some money as salaried laborers on the state farm and finally bought lands in the area from local farmers. They made intermarried with the local population and many of them were converted to Islam. As a result of this, the present day inhabitants in the study areas are made up of diverse ethnic groups [34]. Informants also say, first these populations came to this area as a seasonal laborers from different area to work on coffee during coffee planting and harvesting periods. But later when some of them returned to their homeland and others started to live permanently in this area [35].

As many sources state, farmers were formerly used traditional ways of farming. Labor intensity was very high since coffee is much labor demanding crop. The main activities performed in the state coffee plantation are weeding, hoeing, fertilizing, pruning, mulching, planting and reducing shade and etc. with simple tools, such as *matchet*, pruning scissors, sickle, axes and others. The average labor input in state plantation is more than peasant farming. But during the harvesting season there is generally shortage of labor in peasant farms as well as state plantations. According to Ermias, this condition has been observed specially in three districts of Gomma, Limmu Kossa and Mana. They spent on average 55 birr/ ha, 50.27 Birr/ha and 101.62 birr/ha, respectively [36]. The rich farmers had more and modern farm tools than poor farmers. Most of the time, the major source of income of peasants in coffee growing areas was obtained from coffee sale. They used the income for purchase farm tools and other purposes. These farm tools used by coffee farmers are quoted by Daniel as: “Local ploughs (*maresha*) for ploughing land; hoe (*gasoo*), fork and hand cultivator used for weeding, holing and digging; Axe, slashes and shovel for clearing and cutting; sickle for weeding and harvesting the crops [37].”

In the study areas peasants usually used different sources of labor force for food crops and coffee production. For instance, they used family labor (core labor), hired labor, seasonal labor and pool labor known as

*Daboo*. The hired labor came from the surrounding villages during coffee plantation and harvesting. But seasonal laborers came from distant areas due to need of money, climatic change and over population. The wage for seasonal laborers per man per day varies from year to year and place to place. They were paid either in cash or in kind in harvested coffee. For instance, labors get one kilogram of coffee out of every ten kilos they have collected. *Daboo* is a form of laborer exchange by households for mutual benefit during peak times of agricultural season. It is a system of helping each other, which households utilize in crucial times such as illness and imprisonment of head of the household, birth of a child during a peak agricultural season. They worked in turn for daily on each member's farm during planting, weeding and harvesting time. Each member prepared meal to be consumed by the members of *Daboo* in his/her turn. The length of the daily working title was decided by the members. *Daboo* covered usually from two to six or from seven to nine hours [38].

### **Impact of Coffee Production on Individual Coffee Farmers**

The forest of the Gibe was suitable environment for the growth of coffee trees and its yield. As many sources indicate, the major coffee producers in the former Kaffa administrative region were Jimma and Limmu *awrajas*. There are many factors which contributed towards the growth of coffee production in these areas. For instance, the culture of Oromo people gives special place to green environment and big trees. This fact is more illustrated by the following quotation. "The dense forest of region coupled with the Oromo religious idea of respect for and honoring of green nature and the practice of not cutting big trees, must have provided an ideal environment for coffee growing[39]." Moreover, from the Coffee Production in the both *awrajas*, the coffee growers were not benefited as well. Probably it was a good chance for merchants, landlords, government officials and coffee exporters, who bought coffee and land at low price from growers and used to produce coffee to sell it at high price[40]. In spite of this, in the first half of the 20<sup>th</sup> century, the impact of coffee cultivation was expanded mainly for two reasons. These were the improvement of some infrastructure such as transportation facilities. The beginning of Gambella water transport system and Djibouti- Addis Ababa rail way service helped the rise of coffee price in the Gibe Oromo states. Furthermore, the emergence of ambitious individuals such as government officials or local landlord, and some business men more pave the way[41].

Additionally, in the 1920's there was encouraging circumstances for coffee production and marketing. This was due to the increased coffee price and production in the world market and the study areas got new attention. The consequence of this condition paved the way for shift of coffee farming from small scale farming to large scale commercial farming [42]. Even if, this new coffee production was introduced to these areas, particularly, to Limmu, it did not bring better way of life for the peasants of the region. But still peasants faced shortage food and cash during rainy season. As a result, the real cause for the self- insufficiency of peasants of the region may be due to the traditional way of agricultural practices activities, increasing of coffee production that discouraged food crops production and difficulty of working condition for peasants and reduction of land allocation for food crops. However, as it has already been discussed, increasing coffee production in the region began to reduce quality in the 1930's and 1940's. This is due to the war between Ethiopia and Italy which disturbed both coffee production and trade. Still, during their occupation in order to feed their troops, they gave more emphasis for food crops than cash crops. Additionally, by the 1940's coffee production and its price had further diminished. These factors affected the life of peasants more than expected [43].

After the expulsion of the Italian from the study area, fertile agricultural land of the region was taken by ruling classes and Peasant began to struggle with infertile land at a distant from their homestead and exposed to wild life such as, monkeys and baboons. But, the imperial officials attributed this problem to the laziness of the local peasant. Since the beginning of the 1950's, there was improved condition for the production and marketing of coffee. It was a time when new social groups involved in coffee production and marketing [44]. There were some prominent personalities, who controlled coffee production in the study areas. These were: Fitawarari Gebre Kiristos Mekonen, General Assefa Ayana, *Liji Abate* and *Ras Mesfin Silashi*. They were officials of the state who were attracted by coffee profit and became coffee farmers [45].

Mesifin Sileshi, was irresponsible business minded official, who did not give priority to public interest. According to informants, since he controlled large tracts of land in the area, he had used forceful corves labor through local chiefs and he ordered local peasants to work on his coffee farm twice a week. He used poorly paid laborers and he also used prisoners forcefully on his coffee farm. The second group composed of business men who were attracted by coffee production and marketing to this areas were Maher, Teka Egano and Tekle Mariam Kassahun. These men were over attracted to coffee profit and involved in improving its cultivation and production[46]. As a result, Land was taken from local peasants through land grant and purchase also grew. This reduced the status of peasants to *tenants*[47]. At the same time, some of them were involved in other business activities such as beef farming and hotels. On the other hand, the involvement of these individuals in big coffee plantations and other business activities discouraged further peasants' effort towards the coffee production and marketing. They benefited from production and marketing to accumulate huge amount of capital. But, the region was not benefited from the capital. They built a number of buildings in their home town and in other towns like

Addis Ababa[48].

Additionally, in the decades, 1950's and 1960's as coffee plantation extensively expanded, banks were also opened to facilitate coffee plantation. As a result, large amount of fertile farm lands put under coffee cultivation. On the contrary, it caused reduction of land for food crops and the increment of food price. Unlike the imperial regime the *Derg* government tried to improve the life of peasants. At this time, *Derg* used different mechanisms such as expanding social service facilities, adopting new technology and improving the former peasant coffee plantation. These mechanisms were aimed at improving the life condition of peasants by increasing productivity. According to my informants from Limmu area, the *Derg* had planned to extend coffee plantation and ordered farmers to plant garden coffee on their small plots of land. The government supported them by the Coffee Improvement Project (CIP). The aim of the project was planting coffee seedlings and distributed to the peasant to expand coffee production and productivity [49]. In urban areas of Jimma and Limmu *awrajas* *Derg* had brought some changes, for instance, health institutions, modern bus station, modern stadium, kindergarten, some elementary and high schools, public library and some asphalted roads in major towns like Jimma, Agaro and Limmu Genet. In spite of the effort of *Derg*, there was still the problem of food shortage, low income from coffee production and marketing, fluctuation of coffee price and production in the world market remained unresolved. Again, the amount of tax imposed on coffee, low quality of coffee, high transportation cost were among problems of the time[50].

In the good coffee harvesting season, coffee farmers and traders enjoyed better living condition in every aspect. Extravagance ceremonies such as weeding, relaxing in towns and some other unnecessary expenditure represented misuse of resources. Similarly, life in Jimma, Agaro, Yebu, Babo, Bilida and Limmu Genet towns became better and better. Coffee played the advanced of these towns in many ways. Many hotels, shops, restaurants, bars and others were opened. But, it caused some problems such as the rise of the price of consumer goods, transportation cost and clothes [51]. There was also clear mismanagement of the cash obtained from the sale of coffee. During the months of February, March, April and May most of the coffee yield was sold to coffee merchants in the nearby markets. Besides, the kind of meals and drinks that they consumed during the months of February, March, and April were very much different in quality and quantity from other months. As one of the informants told me during coffee harvesting season, youngsters were/are highly tempted by the decorated town's bars and spent their time with bar ladies, who infected their customers with HIV/AIDS [52].

In spite of this, during the rainy season and bad coffee year people faced hardship and exposed to usurers. To survive these problems they took a number of measures. They borrowed money from the landlords and rich merchants to pay back for the next season and selling coffee at flowering stage as well as coffee tree themselves. For instance, according to informants; if they borrowed coffee they paid back in coffee; if they promised to pay in cash they paid it in cash; if a person borrowed a quintal (100kg), they would pay two quintals and if they borrowed 100 birr, they paid 200 birr[53]. In the middle of the rainy season was a period when the previously harvested crops were exhausted and the newly fresh crops were not ready for consumption. In order to pass this hard period, few peasants began to depend on root crops such as potatoes, sweet potatoes and *qocho* (false banana). These tuberous plants usually ripen for consumption within 2 or 2½ months and relieved the peasants from severe shortage of food [54]. The rent that the peasant paid for the landlord was the first to claim his produce during harvest season. To pay back the rent peasants needed cash. As a result, the farmers were forced to sell their coffee early during the harvest season when the local market price was very low. The rent together with mismanagement left the average peasant exposed to hunger during the middle of the rain season[55].

Coffee farmers of the study area were affected by numerous contributing factors such as very high production cost, particularly, the fixed cost, uneconomic size of farms, diseases and tax which reduced greatly the farm gate price of coffee much below the production cost. As coffee moved from the growers to the consumers, it passed through many hands of buyers, government agencies, middlemen, processors, exporters, shippers, roasters, retailers and etc. At each level, the coffee price would increase. The relationship between the price paid to the producers and export values could not match. The tax imposed by government and cost of buying, transporting, grading, storing and other expenses brought very low return for the growers [56].

### **Risk Management Strategies in Coffee Production Areas**

Agriculture, the dominant sector of Ethiopian economy, is mainly characterized by smallholder production system and traditional farming practices. The poor agricultural performance have been the sum total of reduced soil fertility, variable climatic conditions, poor infrastructure, environmental degradation and land scarcity. Rural households in our country exist in naturally risky environments. They suffer from various natural and manmade problems that make them exposed to serious hardships. For instance, high price variability, low demand and insufficient access to resource that leads to market failure for certain products and factors of production. These events may highly influence the resource allocation of rural households [57].

Therefore, as it has been discussed earlier, additionally there are some sources of risk for coffee production and marketing. These are climate change and coffee price fluctuation, which have unpredictable impact on

output. Price risk is common type of risk, which occurs in agriculture due to time gap between the decision to plant a crop and to harvest it. It is clear that market prices at the point of sale are unknown by the time when production decisions are made. In the coffee producing areas of our country, coffee production and marketing factors may limit the rate of coffee production and the yield quality. It is believed that, coffee production and price is changeable. Sometimes the yield and price went up and down [58].

This type of risk is more serious for poor coffee growing farmers where there is a serious information gap and market limitation with a long time lag between planting and harvesting. It can affect the life of the coffee farmers in many ways their health, their children education, access to food, sanitation, clean water, increased livelihood insecurity and income. Due to shocks, many households sell their assets and forced to borrow from local money lenders at very high interest rate. As income declines, consumption also reduces because farmers cannot pay for the ever-escalating food price. Furthermore, they become unable to pay for vital medical expenses and cannot pay their children's school fee. It also forced farmers to sell their livestock at low prices to buy food and clothes. Farmers know as coffee production is profitable but it is risky [59].

Among many risk factors, drought is the most serious natural hazard to coffee production. Farmers in many study areas identified drought as the most serious shock item that affects coffee production. According to many informants, in the study area, rainfall is generally low and unevenly distributed. Farmers only remember that in the year 1978 as their production was affected by drought. However, when we compare with other coffee growing areas it would be expected that, Jimma and its environs are least affected by drought. This is most probably because of the existence of the dense natural forest that provides balanced ecosystem. Additionally, many scholars and coffee farmers in Jimma report that coffee diseases have been major risk factor for coffee production. The major coffee diseases that limit coffee production were Coffee Berry Disease (CBD), Coffee Wilt Disease (CWD), Coffee Leaf Rust (CLR), and Coffee Insect Pests (CIP) [60].

Genetic origin of coffee would greatly influence Coffee Production and Quality. It also affects the tree size, shape, and color and cup quality of Coffee. Physiology of the plant affects Coffee quality by many ways such as over bearing, size of been and in other ways. Indeed, it was found that tree age had a strong influence on the Coffee quality. Young trees are likely to be mild and thin, but fine in flavor while old trees produce strong taste. As scholars acknowledge, from 15 to 20 years old Coffee trees have good flavor, acidity and body shape coffee [61]. Environmental change is also another factor that affects coffee production system. Altitude, temperature; rainfall and topography of the land and the nature of the soil must be taken into account. Different scholars explain that higher altitude favors better aroma and flavor formation. Arabica coffee does not like too much heat and too much cool temperature. Different studies show that too high temperature causes die-back, which causes poor coffee production. Good Arabica coffee soil requirements is a deep, well drained, volcanic ash, brown chocolate or reddish colored, loamy rich in humus and slightly acidic soil [62].

Lack of Institutional Organization is also another limiting factor. The effort of coffee growing farmers alone could not achieve the required coffee production goal. To promote coffee production and marketing, institutional organization would have big role in providing extension services, credit facilities and training coffee growing farmers. Most farmers used traditional hand picking in various containers such as baskets, bags and other local materials. It is true that, pre and post-harvesting and processing methods play a predominant role in obtaining a quality Coffee [63]. There are various risk management strategies that adopted by other parts coffee farmers in Ethiopia. It includes diversifying income source by intercropping, shifting or modifying the environment, selling assets, sharecropping, borrowing money from various institutions, uprooting the more risky coffee trees and replacing them by other less risky trees [64]. Uprooting is another risk management strategy that practiced in other coffee growing regions of Ethiopia. When income earned from one crop reduces due to various shocks, farmers uproot that crop and replace it by other less risky crops [65]. Nevertheless, in the study area, the attempts to practice coffee risk management strategies were not this much adequate.

Intercropping is one of the traditional cropping systems used to diversify and increase crop production per unit area of land. Now a day many households in other areas of coffee growing regions are practiced intercropping coffee with other crops to minimize their exposure to risk that could come due to the volatility of international market price and natural hazards. The economic justification behind intercropping is that if one crop fails the other may bear some fruits and the household may compensate the loss at least partially. It is possible to multiple crops grown with coffee in coffee growing areas side by side on the same plot of land. For example, in Hararge zones coffee is planted with cereals, fruit trees and vegetables as a source of food for small holding farmers. As studies of Jimma and Tepi Research Centers reported by some informants coffee growing regions have similar environment with other cereals, fruit trees and vegetable crops. Therefore, intercropping coffee with food and cash crops which include horticultural crops (*enset*, potato, sweet orange and avocado) and spices (ginger and turmeric) did not affect the production and development of coffee farming [66].

As it has been in some coffee growing areas, sometimes farmers accumulated or save their resources in cash or in kind what they obtained in good times from coffee sale. They use up these resources during shortage of supply for consumption. The plan is after they survive today, they can obtain property in the future when things

improve If a household faces a serious income shock, then it sells its livestock or other fixed assets to buy food, to take its children to clinic, or to pay the school fee for the children. If the households unable to absorb shocks by liquidating assets, the next option to manage the situation is to borrow money from rich landlords and merchants. Poor rural households usually prefer to reduce their consumption rather than liquidating their productive assets. Scholars also agree with this risk managing strategy as a feasible and rational method to manage risk [67].

Credit is also one means through which farmers get their livelihood in cases of income fluctuation due to various shocks. More than half of coffee farmers in the study areas borrowed money from various sources to minimize the rate of shocks. Scholars also agree that credit from formal or informal sources is a very important risk reducing method during bad days. Credit can also smooth household income and consumption when crop fails, oxen die, asset is destroyed by fire and income is lost due to a reduction in output price. It can also be used to buy food and other consumption items, to build asset and to maintain social interactions[68]. Informal inter-household cooperation is another way of risk reducing method. Agricultural activity required cooperation of farm households. This is because one farm household alone could not perform all tasks. Thus inter-household cooperation is one way through which poor farmers get access to community level resources. Under such conditions, agricultural mutual assistance groups are very common risk sharing strategies in the study areas. It supposed formal Cooperatives play an effective role in supporting coffee farmers by supplying the price information, providing inputs and capital and transportation services that small coffee farmer's lack. The government allowed the farmer cooperative unions to export and certified the unions to bypass the product directly to their customers in Europe, Japan and the USA. The member farmers of the cooperative unions are reported to be paid fair price for their produce which is invested in food, shelter, health care, education and improved management and conservation of coffee genetic resources[69].

## Conclusion

Gibe region was a very fertile and favorable environment for coffee production. According to the oral tradition of the Oromo of the Gibe region, coffee cultivation was started in Gomma after the 1870's and spread to the rest of the Gibe Oromo states. After the cultivation of coffee was started in Gomma district, Limmu Ennarya became the leading coffee producer in the region. As indicated by different scholars, farm size is one of the determinant factors for agricultural production and the farmers living condition. Before 1974, Land in the study areas had feudal character and more land was possessed by a few lands owning people. Poor peasants who had only small plots of land and rent-paying tenants lacked the land ownership to cultivate coffee or food crops effectively. The tenants' labor was exploited by both land lords and kings. For instance, failure to fight with enemy of king, failure to pay government tax and failure to engage in curve labor led them to the confiscation of their land. However, in 1975 the *Derg* government introduced new land reform. The government nationalized rural land and abolished *tenancy*, the supremacy Orthodox Church and controlled all commercial farms. All adult farmers were allowed to have plots. No right to sell and exchange land. The former landless farmers enjoyed the right to have land based upon the size of their family. Even though, still the land holding systems are seriously affected the life of coffee growing farmers. Labor allocation is also another determinant factor that affects coffee production and its quality. Labor intensity was very high since coffee is much labor demanding crop. Coffee farmers are usually used different sources of labor force for coffee production. For instance, they used family labor (core labor), hired labor, seasonal labor and pool labor known as *Daboo*. As the study indicated different people moved from their homeland to this *awrajas* for different purposes. The pushing factors are population growth, lack of employment opportunity, poverty, famine and scarcity of land. In the coffee producing areas there are several risk factors that limit the rate of coffee production and the yield quality. These risk factors are more serious for poor coffee growing farmers. These risk factors are drought, nature of coffee plant, coffee disease, Lack of Institutional Organization, climatic change and coffee price change. Due to these many households sell their assets and forced to borrow from local money lenders at very high interest rate. However, there are various risk management strategies. It includes diversifying income source by intercropping, shifting the environment, saving assets, sharecropping, borrow money from various institutions, uprooting the more risky coffee trees and replacing them by other less risky trees. Additionally, high production cost, uneconomic size of farms, and the amount of tax are another factors affect coffee farmers. As coffee moved from the growers to the consumers, it passed through many steps. These all factors brought very low return for the growers. Moreover, from the Coffee Production in the both *awrajas*, the coffee growers were not benefited as well. It was merchants, landlords, government officials and coffee exporters, who benefited from coffee production. They bought coffee and land at low price from growers and used to produce coffee to sell it at high price. In the good coffee harvesting season, coffee farmers and traders enjoyed better living condition. There is no habit of saving money. Extravagance ceremonies are common and there was also mismanagement of the cash obtained from the sale of coffee. In spite of this, during the rainy season and bad coffee year people faced hardship and exposed to usurers. To survive these problems they took a number of measures. They borrowed money from the landlords and rich merchants to

pay back for the next season and selling coffee at flowering stage. Therefore, coffee farmers are work hard throughout the year but obtain little. Probably it was a good chance for merchants, landlords, government officials and coffee exporters.

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