

**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
BUSINESS ADMINISTRATION**



**ASSESSMENT OF OPPORTUNITIES AND CHALLENGES
OF COFFEE EXPORT: THE CASE OF ETHIOPIAN
TRADING BUSINESS CORPORATION**

BY

GASHAW WUBANTE

ID.NO: SGS/0078/2011

ADVISER: EPHREM ASSEFA(Ph.D)

DECEMBER, 2020

ADDIS ABABA, ETHIOPIA

**ASSESSMENT OF OPPORTUNITIES AND CHALLENGES OF
COFFEE EXPORT: THE CASE OF ETHIOPIAN TRADING
BUSINESS CORPORATION**

BY

GASHAW WUBANTE

ID.NO: SGS/0078/2011

ADVISER: EPHREM ASSEFA(Ph.D)

**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE
STUDIES IN PARTIAL FULFILMENT FOR THE AWARD OF
DEGREE IN MASTER OF BUSINESS ADMINISTRATION OF
SAINT MARY'S UNIVERSITY**

DECEMBER, 2020

ADDISABABA, ETHIOPIA

**ASSESSMENT OF OPPORTUNITIES AND CHALLENGES OF
COFFEE EXPORT: THE CASE OF ETHIOPIAN TRADING
BUSINESS CORPORATION**

BY

GASHAW WUBANTE

ID.NO: SGS/0078/2011

APPROVED BY BOARD OF EXAMINERS

Dean of School Business

Signature

Advisor

Signature

External Examiner

Signature

Internal Examiner

Signature

Dedication

I dedicate this thesis as an excellent achievement of my educational life to all members of my family, especially to my mother **W/O Eteyanche Tsega** who had devoted her life to grow up me and my wife **W/O Serkalem Dantewu** who is always supporting me.

ACKNOWLEDGEMENT

First of all, I would like to give the credit to God, who is the master of my life. I would also like to thank my advisor, **EperemAssefa (Ph.D.)**, not only for his guidance and support, but also for his friendly approach. Successful accomplishment of this research would have been very difficult without his generous time devotion from the early design of the proposal, questionnaire to the final write-up of the thesis.

ABBREVIATIONS

ADC	Austrian Development Cooperation
CBD	Coffee Berry Disease
CCC	Corporation Characteristics related Challenges
COSA	Committee on Sustainability Assessment
ECPSE	Ethiopian Coffee Purchase and Sales Enterprise
ECMC	Ethiopian Coffee Marketing Corporation
ECX	Ethiopia Commodity Exchange
EGPPC	Economic Policy, Government Policy and Political related Challenges
EMC	Export Marketing related Challenges
ERCA	Ethiopian Revenue and Custom Authority
FAO	Food and Agriculture Organization
ICO	International coffee organization
MOTI	Ministry of Trade and Industry
OCE	Opportunities available for Coffee Exporting
PCE	Performance of Coffee Exporting
USD	United States Dollar

GLOSSARY

Quintal	Unit of measurement stands for 100 kg
---------	---------------------------------------

TABLE OF CONTENTS

ACKNOWLEDGEMENT	i
ABBREVIATIONS	ii
GLOSSARY	iii
TABLE OF CONTENTS.....	iv
LIST OF TABLE	vi
LIST OF FIGURES	vii
ABSTRACT	viii
CHAPTER ONE.....	1
INTRODUCTION	1
1.1. Background of the study	1
1.2. Statement of the Problem	3
1.3. Research questions	4
1.4. Objective of the study	5
1.4.1. General objective	5
1.4.2. Specific objective	5
1.5. Significance of the study	5
1.6. Scope of the study	5
1.7. Definition of key terms of the study.....	6
1.8. Organization of the study	6
CHAPTER TWO	7
REVIEW OF RELATED LITERATURE.....	7
2.1. Introduction	7
2.2. Theoretical Review	7
2.2.1. The Key Actors and Institutions of Coffee Marketing chain In Ethiopia.....	7
2.2.2. Export and Trade Theories	9
2.2.3. Ethiopian Coffee Market: Challenges	11
2.2.4. Ethiopian Coffee Market: Opportunities	11
2.2.5. The Contribution of Coffee to Ethiopia Economy.....	12
2.2.6. National coffee market structure in Ethiopia	14
2.3. Theoretical Frame work	14
2.4. Policy Review Regarding to Coffee and Coffee Export	15
2.5. Review of Empirical Studies.....	16

2.5.1. Empirical Evidence on Challenges of Coffee Exporting	16
2.5.2. Empirical Evidence on Opportunities to Coffee Exporting	17
2.6. Summary of Literature Review and Research Gap	18
CHAPTER THREE	19
RESEARCH METHODOLOGY	19
3.1. Research Design and Approach	19
3.2. Population, sample and sample size of the study	19
3.3. Data Source and Collection Method	19
3.3.1. Survey	20
3.3.2. Key Informant Interview (KII)	21
3.3.3. Document Review	21
3.4. Method of Data Analysis.....	21
3.5. Instrument Reliability and Validity.....	21
3.6. Ethical Consideration	22
CHAPTER FOUR	24
RESULT AND DISCUSSION.....	24
4.1. Introduction	24
4.2. Response Rate	24
4.3. Demographic Characteristics of the Respondents.....	24
4.4. The current status of coffee export in Ethiopian Trading Business Corporation....	26
4.5. Challenges of coffee exporting	29
4.5.1. Corporation Characteristics related Challenges	29
4.5.2. Export Marketing related Challenges	31
4.5.3. Economic Policy, Government Policy and Political related Challenges	33
4.6. Opportunities available for coffee exporting	35
CHAPTER FIVE	38
SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION	38
5.1 Summary of Findings	38
5.2. Conclusion.....	41
5.3. Recommendation.....	42
REFERENCES	43
QUESTIONNAIRES	44

LIST OF TABLE

Table 3. 1Reliability test	22
Table 4. 1Demographic characteristics of the respondents	25
Table 4. 2 Coffee export marketing practices of the corporation for the last five years ..	27
Table 4. 3 Net Profit of the corporation for the last five years in Coffee exporting	28
Table 4. 4 Performance of coffee exporting	28
Table 4. 5 Corporation Characteristics related Challenges.....	29
Table 4. 6 Export Marketing related Challenges	31
Table 4. 7 Economic Policy, Government Policy and Political related Challenges	34
Table 4. 8 Opportunities available for coffee exporting	36

LIST OF FIGURES

Figure 2. 1 Theoretical Framework 15

ABSTRACT

The study was conducted to assess the challenges and opportunities of coffee exporting in the case of Ethiopian Trading Business Corporation. To achieve the research objectives descriptive research design was applied. Target populations for this study were staffs in Grain and Coffee Trading Business Unit. The sample size drawn was 100. Since the target population was small in number, the data collection cost for these respondents was very low, and make more reliable on the data; and hence the researcher chose census method for data collection. Pertinent data for the study were gathered through questionnaire survey, key informant interview (KII) and document review. Lastly, thematic analysis was used to analyze the qualitative data collected through KIIs and document review; whereas, quantitative data analysis was frequenc, percentage and median. The research findings based on empirical data shows that except in the year 2016/2017 and 2017/2018 the sale value in terms of USD earned from sale of coffee decreases from 2015/2016-2019/2020 years. In contrast to 2017/2018 the sale value in terms of USD earned from sale of coffee in 2015/2016, 2016/2017, 2018/2019 and 2019/2020 decrease. It is obvious washed coffee worth more in contrast to unwashed coffee. So comparing with other years in 2017/2018 washed coffee holds more share. The net surplus of the corporation decreased from year to year. The highest net profit was recorded in the year 2017/2018 and the lowest profit was recorded in 2019/2020 year. The total net profit the corporation earned from coffee export for the last five years was total 11,924,419 USD. The research findings based on empirical data shows that export marketing practice of coffee has shown a decreasing trend in terms of net surplus and the corporation is not on good condition in getting profit from the coffee export activity. The maian challenges facing facng the coffee export performance of the corporation are lack of knowledge to foreign marketing, coffee export experience (trends) and the absence of appropriate technology, inappropriate pricing policies with regard to the coffee market, long and sophisticated procedural requirements of export processing and limited government assistance to overcome coffee export barriers. Despite these challenges, several opportunities available for coffee export sector including huge natural and human resources as the opportunity available for the coffee sector, enabling policy environment supporting coffee research and development and the rising demand for

Ethiopian organic coffee. Finally, the following recommendations are provided: In limited resource setting it is better to put effort on challenges mentioned in the conclusion part. Moreover, the corporation needs to go beyond seeking opportunities. The corporation needs to snatch out opportunities to share income from the industry whose massive proportion was shared by international roasters and brand owners located in consuming countries.

Key words: *Coffee export, Opportunity, Challenges*

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

Exporting is the selling of products made in one's own country, for use or resale in another country (MBURU, 2011). According to Wortzel and Wortzel (1997) nations around the globe adopt export trade as an internationalization strategy, that is motivated by three fundamentals namely market-seeking growth to gain greater returns on resources already developed; to gain access to resources and factors of production not available at home; and to create efficiency by linking previously separate operations so as to lower total costs (MBURU, 2011). For instance to gain greater returns on resource (green coffee bean) already developed nations of east and southern African countries have focused on exporting green coffee bean. According to Salami, Kamara, and Brixiova (2010) green coffee bean is one of the major cash crops in East and Southern African countries mainly produced for export purposes. This crop constitutes a significant share of total export value in countries such as Ethiopia, Burundi, and Uganda, making the sector vital to their economy (Mutandwa, Kanuma, Mugenzi, & Govere, 2013).

According to FAO (2016) world Bank (2015) in countries such as Ethiopia, Uganda, and Burundi, the share of coffee exports relative to total export earnings exceeded 10% in 2013 (Nsabimana & Wondmagegn, 2019). Ethiopian coffee has got a significant place in the global value chain due to its exceptional quality. From the very beginning, Ethiopian coffee is characterized by fine acidity and rich body with spicy, winy, sweet taste. Ethiopian coffee is the first choice for roasting and blending (Ethiopian Coffee and Tea Authority, 2014). Even with a share of less than 3 per cent of the global market for coffee, Ethiopia relies on a high proportion of its coffee export earnings. Indeed, coffee is the backbone of the Ethiopian economy, contributing about 28 per cent of the total foreign exchange earnings in 2011. In 2010/11, the total volume and value of coffee export was 196,117 ton and 841.65 million American dollars, respectively; and more than 120 Ethiopian coffee exporters were participated in processing and exporting coffee to 53

destination countries of the world (Mechal , 2013). Especially, for the last two decades coffee is the single foreign exchange earner of the country accounts about 46 percent of its total export revenue(Abiy , 2016). Despite the rigorous price of coffee shocks has been disturbing its value chain, Ethiopian coffee remains an elemental component of the Ethiopian economy and export (Zekarias & Degye , 2019). Generally, Ethiopia foreign earnings from coffee export challenged by high dependency on traditional primary product (green bean coffee even without roasting) and recurrent world market price fluctuations and instability (Zekarias & Degye , 2019). However, the country couldn't continue in this way.

According to Ponte (2002) at the global market, the emergence of competitiveness could favour exporters such as Brazil, Vietnam, and Colombia in deciding the world market price due to lower production cost in the respective countries. This adversely affects the export performance of coffee exporting countries in East Africa including Ethiopia (Nsabimana & Wondmagegn , 2019). On the other it is necessary to enhance the quality and reliability of the green coffee bean exports to meet certain environmental and social standards (International Trade Center, 2012).In today's specialty market all three types of coffee need to be represented to exemplary; high quality coffees either as stand-alone or as a named blend component & mainstream quality in many of the ready-to drink and flavored drinks that are sold alongside filter coffee and espresso (Sette, 2012).

So, to become in comply with international standard and competitive in the coffee sector the nation established the Ethiopian Trading Businesses Corporation, Public Enterprise on December 22, 2015 by the Council of Ministers pursuant to Article 5 of the Definition of Powers and Duties of the Executive Organ of the Federal Democratic Republic of Ethiopia Proclamation No. 916/2015 and Article 47/1 of the Public Enterprises' Proclamation No. 25/1992 (Ethiopian Trading Businesses Corporation, 2015).

Specifically under this corporation there is a business unit called by Grain & Coffee Trading Business Unit in reference to the coffee sector. Types of Coffee Beans export by the Business Unit are 1) Sidama type; 2) Yirgacheffe type; 3) Lekemti type; 4) Harar type and 5) Limmu type (Ethiopian Trading Businesses Corporation, 2015). In addition

Coffee suppliers of the Business Unit encompass Ethiopian Commodity Exchange, Cooperatives and Unions.

The main purposes of Ethiopian Trading Businesses Corporation are 1) to stabilize market prices to producer in order to encourage them to increase their production; 2) to stabilize consumers goods price to protect consumers from unfair price and 3) to export different farm produces mainly coffee to the world market to generate foreign currency to the country. Ethiopian Trading Business Corporation deploys 50 modern stores which have a capacity of accumulating 820 tons of coffee at a time.

In addition it deploys modern coffee processing machines having a capacity of processing 90 metric tons of coffee per day; abulkmachine which has a capacity of packing 300 to 350 kg of Coffee, in a container, and modern coffee laboratory and heavy trucks to transport well processed coffee to ports for shipment on due time (Ethiopian Trading Businesses Corporation, 2015). It is obvious research based intervention is necessary in making difference in the coffee sector. So, this study was aimed to assess the challenges and opportunities of coffee exporting in reference to Ethiopian Trading Businesses Corporation.

1.2. Statement of the Problem

Coffee, the most important export commodity of the country, in the last decades though its share shows declining smoothly and continuously from 70% of its share in 1997/98 to 26.4% in 2009/10. Moreover, according to ERCA (2010) coffee was a significant source of government tax revenues. According to MoTI (2008) approximately, about 1.5 million households are involved in coffee production; and it is estimated that 15 million people (i.e., about one out of every five people in the country) are dependent on coffee for their livelihood (Mechal , 2013). In this regard Lukanima and Swaray (2014) recalled us the predominance of small-scale farmers as one of the key features of the coffee plantation in Ethiopia (Nsabimana & Wondmagegn , 2019).

In addition foreign trade of coffee (export) is challenged by high dependency on traditional primary agricultural commodities and recurrent world market price fluctuations and instability (Zekarias & Degye , 2019). In this regard literatures are not

silent. According to FAO (2014) the major challenge is market inefficiency that resulted from overvalued exchange rate, high level of impurities and weight losses & high transport and marketing costs (Zekarias & Degye , 2019). In addition the concentration on few trading partners makes the country vulnerable to the economic conditions (demand) of its trading partners (Debel , 2002).

As far as the opportunities available for coffee export,Taye & Wondifraw (2011) disclosed the following issues such as presence of model/innovative coffee farmers, local private investors, cooperative unions and state coffee farms; increasing demand for high quality coffees and encouraging global coffee markets; favorable policy environments and adoption of modern marketing system (ECX); availability of coffee research centers and quality laboratories in major coffee growing areas; emergence of few community-based coffee seeds/seedlings systems as business (small-scale farmers, private investors and state farms) & availability of very diverse Arabica coffee germplasm collections, released coffee varieties and branded Ethiopian coffees.

Nowadays there is also further research need to government owned enterprises of coffee exporting companies. For instance, since 2018 after alternative Ethiopian Commodity Exchange was placed in challenges became more intensified on government owned enterprises of coffee exporting companies (Ethiopia Coffee and Tea Authority, 2020). There was a significant decline in the proportion of suppliers to supply coffee to government owned enterprises. This study was aimed to assess the challenges and opportunities of coffee exporting in reference to Ethiopian Trading Businesses Corporation.

1.3. Research questions

1. What is the current status of coffee export in the case of Ethiopian Trading Business Corporation?
2. What are the major challenges facing coffee export in the case of Ethiopian Trading Business Corporation?
3. What are the opportunities available for coffee exporting in the case of Ethiopian Trading Business Corporation?

1.4. Objective of the study

1.4.1. General objective

The main objective of the study was to assess the challenges and opportunities of coffee exporting in reference to Ethiopian Trading Business Corporation

1.4.2. Specific objective

1. To assess the current status of coffee export in the case of Ethiopian Trading Business Corporation
2. To investigate challenges of coffee exporting in the case of Ethiopian Trading Business Corporation
3. To assess the opportunities available for coffee exporting in the case of Ethiopian Trading Business Corporation

1.5. Significance of the study

It is believed that this research paper will contribute to the body of existing knowledge and as well make up for the paucity of scholarly paper in coffee sector on coffee exporting challenges and opportunities. The quest for research based intervention was high on the priority list for the coffee sector to be effective in exporting. So this study is important to bridge this gap for instance Ethiopian Trading Business Corporation will be well informed about challenges and opportunities of coffee exporting.

In addition the finding of this study will have the potential to provide important insight for the government and policy makers with regards to making policies and taking the appropriate measures towards designing strategies for improving coffee exporting. Lastly the study will serve as an empirical source to the researcher in the future.

1.6. Scope of the study

Coffee exporting is a broad concept, which consists of numerous interactions but the scope of this study is restricted to the particular topical and spatial areas. Topical approach of the study is limited to uncover challenges and opportunities. The spatial aspect of the study is limited to Ethiopian Trading Businesses Corporation in Addis Ababa.

1.7. Definition of key terms of the study

Marketing: it is a social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others (Jima , 2020).

Exporting: it is the selling of products made in one's own country, for use or resale in another country.

Opportunity: it refers to nation's bright prospects, grounds for optimism and creating enabling environment (Sette, 2012).

Actors: they are people who are directly involving in coffee marketing such as producers, coffee collectors, traders (suppliers), primary cooperatives and unions, exporters, importers, domestic wholesalers and retailers and consumers and service providers (Berhanu , 2016).

1.8. Organization of the study

This thesis is organized in to five chapters. Chapter one is dedicated for introduction. Under this chapter, background of the study, statement of the problem, objective of the study, scope of the study, limitation of the study are discussed. Chapter two deals with review of related literature.

This chapter embarks on theoretical, empirical reviews and policy review carry &t the end it presents conceptual framework of the study.Under theoretical review the study reviewed issue such asas the key actors and institutions of coffee marketing chain In Ethiopia; Ethiopian coffee: challenges; Ethiopian coffee: opportunities; coffee sector for Ethiopia economy; national coffee market structure in Ethiopia and theories.

In addition under empirical reviews section, prior empirical studies in relation to the challenges and opportunities of coffee export sector were discussed.Chapter three deals with research methodology including research approach and design, sample size and sampling techniques, research subjects (respondents), data collection instruments and method of data analyses. Chapter four discusses research results and discussion of the major research findings. The last chapter presents summary, conclusion and suggest recommendation based on research findings

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

This chapter embarks on theoretical, empirical reviews and policy review as well as present the conceptual framework of the study. Under theoretical review section the study reviewed issues such as the key actors and institutions of coffee marketing chain in Ethiopia; Ethiopian coffee: challenges; Ethiopian coffee: opportunities; coffee sector for Ethiopia economy; national coffee market structure in Ethiopia and theories. In addition under empirical reviews section prior studies on challenges and opportunities of coffee exporting were discussed. Based on the discussion, research gaps were clearly identified.

2.2. Theoretical Review

2.2.1. The Key Actors and Institutions of Coffee Marketing chain In Ethiopia.

In coffee marketing chain there are coffee collectors, traders (suppliers), primary cooperatives and unions, exporters, importers, domestic wholesalers and retailers and consumers and service providers at each value chain (Abiy , 2016). Coffee collectors are the most important participants in coffee value chain and they directly bought the coffee with its pulp (Jenfel coffee) and/or without pulp and sold it to suppliers or private traders for further processing activities and preparation for marketing. Traders (suppliers) in coffee value chain of Ethiopia are those who buy coffee from collectors (both legal and illegal collectors) and sell it to either to exporters in Addis Ababa auction market or international importers (Abiy , 2016).

Primary cooperatives and unions produce and harvest the coffee and some of them even perform some processing activities like washing pulping, sorting and finally sell it to their respective unions. The unions process the coffee or further processing. Finally further processed were packed, transported to their warehouse and make ready for export market. Exporters found in Addis Ababa central market who received coffee from private producers, private traders and cooperative unions to sell it to the international market.

According to MOT (2012) importers are first German coffee importer, Japan, the Netherlands, and America. These foreign importers after adding some value to the coffee they received, they directly sell to wholesalers and then to supermarkets (Abiy , 2016).

Farmers who reside in distant villages far from pulperies or any cooperative organization mostly sundry the beans themselves, remove the husks, and transport them to the primary market centers. Collectors of forest and semi-forest coffee also take their sundried beans to the primary market centers. In the primary market centers, the sun-dried beans are sold to the licensed collectors (Sebsabys), who in turn are required to sell the sundried beans to the wholesalers (Akrabies) or the Ethiopian Coffee Purchase and Sales Enterprise (ECPSE) wing of the former Ethiopian Coffee Marketing Corporation (ECMC) (David & Christian, 2013). Sebsabys are permitted to buy from farmers but can only sell to Akrabies or the ESPE, and cannot take coffee directly to the auction because Akrabies, Sebsabys and exporters have separate and different licenses. Akrabies are permitted to buy coffee from Sebsabys (but not from farmers) and deliver it to the processing centers and to the auction thereafter, but not export it. Exporters are only permitted to buy coffee from the auction and not from Sebsabys or farmers (ICO/CFC, 2000).

However, most coffee produced is still channeled by private traders. Small-scale coffee producers have undeveloped low input output agricultural and coffee harvesting practices, low incomes, weak organizations and little bargaining power; they sell their coffee to private traders and/or to their primary farmers' cooperatives (Mechal , 2013).

Several Ethiopia Coffee Growers, Producers and Exporters Association (ECGPEA) members have recently started implementing out-grower schemes through which they provide technical assistance to small scale farmers in the vicinity of their plantations, and serve as an outlet for their production. However, it was not possible to verify the conditions under which such schemes take place, or the degree to which the emergence of contract farming in the coffee sector alongside a continued policy to promote the growth of commercial plantations could transform the structure of the coffee chain in the coming years.

2.2.2. Export and Trade Theories

In this study the following theories i.e. Adam Smith' theory, theory of the firm, trade theory on coffee (homogeneous goods), different alternative trade theory & the concepts of marketing strategy, market entry strategy and channels of distributions strategy are reviewed to better coffee exporting by getting insight in to the nature of challenges and opportunities. The promotion of exports is a matter of national importance.

The national interest is reflected in arrangements made by governments with a view to assisting the exporter and in statutory regulations (Schmitthoff, 1969). According to Schmitthoff (1969) governments exercise some control over certain aspects of exporting, mainly by means of export licenses, exchange controls and customs regulations (MBURU, 2011).

According to Goldstein and Khan (1985) trade theory on coffee (homogeneous goods), final consumption or intermediate input, the structure of the market, and sometimes on the availability of data (ADC, 2015). Different alternative trade theory is used for potentially capture the key features of the coffee trade (Kifle , 2017). From the very beginning Adam Smith' theory traces back to the last half of the 18th century.

It says that engagement of nations in the international trade depends upon a nation's specialization in the production of goods in which they have comparative advantages for improvement of the welfare of the society as a whole (Mechal , 2013). According to Onafowora and Owoye (1998) and Arndt (1999) subsequently, many economists advocated the contribution of international trade for the welfare of nations (as the engine of growth) in the overall process of economic development. (MBURU, 2011).

Regarding to the theory of the firm deals with the supply of goods and services by profit-maximizing firms. The theory of the consumer and the theory of the firm are important because they help us understand the foundations of demand and supply. Subsequent readings will focus on the theory of the consumer and the theory of the firm (Eastin & Arbogast, 2011). Goods markets are markets for the output of production.

From an economics perspective, firms, which ultimately are owned by individuals either singly or in some corporate form, are organizations that buy the services of those factors.

Firms then transform those services into intermediate or final goods and services. (Intermediate goods and services are those purchased for use as inputs to produce other goods and services, whereas final goods and services are in the final form purchased by households)

These two types of interaction between the household sector and the firm sector—those related to goods and those related to services—take place in factor markets and goods markets, respectively. According to Adis (2010) and Mavrogiannis et al(2008) coffee exporting as the international business has applied to various dimensions to indicate to which marketing strategy such as export marketing strategy, export strategy which mostly known by marketing mix strategy.

In addition Kotler and Keller, (2006), determined any an advantage and disadvantage of global marketing strategy such as: (1) Advantage; Economics of scale in production and distribution, power and scope, consistency in brand image, lower marketing costs, ability to leverage good ideas quickly and uniformity of marketing practices (Da Silva & Da Costa, 2015).

(2) Disadvantage are including differences in customer response to marketing mix elements, differences in the legal environment, difference in consumer needs and wants, differences in administration procedures, differences in government law and rules and differences in brand and product development and the competitive environment.

According to those theories, most export countries of goods and services wish to have an absolute advantage and vice versa by importer countries of goods and services also has an absolute advantage. At the real international business most the developed and developing countries don't need to think what importantly absolute advantage is because it may just a theory then it come comparative advantage ever.

Regarding to channels of distributions strategy as mention by Macneil, (1980) indicates that in the international markets the pure transactions are rare in business exchanges. Almost firms' management need channel transactions that have relational element to be used to coordinate the channel activities between businessmen (Da Silva & Da Costa, 2015).

2.2.3. Ethiopian Coffee Market: Challenges

Ethiopian coffee challenges can be seen from structural, policy and sustainability sides. From structural side the following challenges are cited i.e. lack of competitiveness (low yields & productivity); poor access to market & long supply chain; lack of infrastructure; inadequate access to services (particularly financial services, risk management etc.); low value addition; and International coffee organization & inadequate technology transfer & research (coffee genome, conservation, biodiversity etc.) (Sette, 2012).

Policy side challenges are the followings i.e. low levels of public investment in agriculture; disengagement of the state in production & marketing activities; liberalization/agricultural reforms historically poorly executed and weak institutional framework in many countries. Sustainability side challenges encompass adaptation and mitigation to climate change (and other adverse weather events); conservation of biodiversity; social sustainability: empower women and attract youth & competition for land (Demeke, 2018).

Specifically the challenges are manifested at production, processing and marketing. For instance, high incidence of Coffee Berry Disease (CBD) is challenging the sector. An estimated 50–60 per cent of production is potentially at risk. On the other hand the sector is still challenged in shortage of improved cultivars adapted to different localities. The sector is also challenged in poor harvest and post-harvest practices for assuring coffee quality. Still the sector is with weak linkages between research, extension services and producers (Petit, 2007).

Moreover, since premiums are a function of market demand; entering such markets is also a significant challenge for most producers.

2.2.4. Ethiopian Coffee Market: Opportunities

Ethiopian coffee opportunities can be seen from nation's bright prospects, grounds for optimism and creating enabling environment. The following opportunities are nation's

bright prospect (Sette, 2012). For instance the country has suitable altitude, ample rainfall, optimum temperatures, appropriate planting materials, low labor costs and fertile soil. In addition the nation can sustainably produce and International Coffee Organization supply fine specialty coffee, with potential of producing all coffee types of the various world coffee growing origins.

Grounds for optimism side opportunities are strong potential to increase supply capacity/yields (transfer of technology); promote value addition; differentiation through brand awareness (e.g. Yirgacheffe, Sidamo etc.) & importance of traceability (Sette, 2012). The following opportunities can be seen from creating an enabling policy environment aspect. These are support agricultural research and development; improving access to price risk management tools; sustainable development and promote a strong institutional framework to better coordinate policy & macroeconomic policy.

Further, Scanagri argues that ‘given its wealth of genetic resources and large areas with exceptionally good growing conditions, Ethiopia has the opportunity to produce large amounts of differentiated high-quality green coffee’. For example, in specialty/gourmet segments of the international coffee market, Ethiopia occupies a unique place with an impressive selection of distinctive coffee profiles. And there is considerable potential to increase the proportion of specialty coffee exports (used in premium blends or sold as single origins) if quality and consistency are guaranteed (Petit , 2007).

Ethiopia has a natural advantage in markets for organic coffee as more than 90 per cent of production is de facto organic (Mekuria et al. 2004). Furthermore, it is the only country that produces natural forest Arabica coffee, providing scope for the sale of shade-grown coffees, for example, through the Rainforest Alliance certification.

2.2.5. The Contribution of Coffee to Ethiopia Economy

Ethiopia is, currently one of the largest coffee producing countries in Africa; and one among the ten top coffee producers in the world after Brazil, Vietnam, Colombia and Indonesia (Mechal , 2013). According to International coffee organization (ICO) (2012), in 2011/12, Ethiopia was the fifth largest coffee producing after Brazil, Vietnam Indonesia and Colombia, with total production of 498,780 tones; and the seventh largest

coffee exporter in the world. Coffee is the major source of foreign exchange for the Ethiopian economy and its governments. Coffee is the single most important foreign exchange earner for Ethiopia, accounting for 19 percent of total goods exports in 2013.

The crop plays an important role in the country's economy even today. It is heavily exported and it is estimated that 25% of the population depend directly or indirectly on coffee for their livelihood (Tamiru, 2016). Coffee has remained the main export of the country; however, other agricultural products are currently being introduced on the international market. Despite secular decline in the international coffee price, coffee still remains the country's dominant export commodity.

According to USDA data for 2010/11 although the share of coffee in total exports has declined over the last decades due to the ongoing structural transformation of the economy, it is estimated that up to 1.2 million small holder farmers are engaged in coffee and according to Ministry of Trade (2012) and Petit (2007) in total 15 million people rely on income generated by coffee production and trade (ADC, 2015). Actually, in rural areas, smallholders are often geographically dispersed; roads and communications are poor, and the volume of business is insufficient to encourage private service provision. In other words, there are high probabilities of market failure.

According to Love (2001) the small scale farmers are the known small-scale peasant producers located in parts of the south, southwest and east of the country (Abiy , 2016). The coffee sector has been crucially important in Ethiopia's economy – still today despite important transformation processes underway (ADC, 2015). Green coffee accounted historically for the majority of Ethiopian exports.

Although the share reduced from more than 60 percent in the 1980s and 1990s to around 30 percent in recent years, coffee is still the number one export good, in addition to domestic consumption accounting for more than 50 percent of total production. Both real and nominal prices for coffee green were highly volatile (fluctuating) over the entire period, depicting an increasing trend however from the year 1992 (except for the years 1996,1997,1998,2002 and 2003 where some declines were observed) (David & Christian, 2013).

The lowest nominal producer price of coffee per tonne (1040 Birr) was observed in the year 1969, with the highest (12,467 Birr) recorded in the year 2005. The nominal prices for growers were relatively higher in the post-reform period ranging between 1,670 Birr for the year 1992 and 12,467 Birr for 2005, compared to the perform range of 1040Birr for the year 1969 and 4224 Birr for 1989.

2.2.6. National coffee market structure in Ethiopia

According to Akiyama (2001) with the end of the Derg regime in 1991 and in the aftermath of the ICA collapse, comprehensive economic reforms, backed by the World Bank and other donors, were started in Ethiopia – among those, the liberalization of the coffee sector (Ethiopian Coffee and Tea Authority, 2014). The sector was opened up for private actors and the public corporation was split-up and lost its superior role in trade. According to Minten et al (2014) only state-owned plantations accounting for around percent of production were maintained and privatized in 2012 and 2014.

Today, the coffee marketing system in Ethiopia remains strictly regulated with the government focusing specifically on the generation of foreign exchange income through furthering exports⁴ and exclusive involvement of local actors in the national coffee chain. With the Ethiopian Commodity Exchange (ECX) an important institution was established in 2008 that is the center of the coffee marketing system (Kifle , 2017). According to Gabre-Madhin/Goggin (2005) and Gabre-Madhin (2012) the ECX initially introduced for trade coffee, replacing the coffee auction. It has several features to facilitate trade, reduce transaction costs and enhance price transparency: a central trading floor in Addis Ababa, a clearing system to settle sales contracts, regional warehouses including quality control, and a transparent price information system.

2.3. Theoretical Frame work

A theoretical framework of this thesis comprises the aforementioned issues expressed by theorists: Goldstein and Khan (1985), (Eastin & Arbogast (2011) and Adam Smith(2018) in the field into which this study plan to research, which the study draws upon to provide a theoretical coat hanger for its data analysis and interpretation of results. And the theoretical frame work is graphically presented below

Figure 2. 1 Theoretical Framework



Source: Own Synthesis from Literature Review on Goldstein and Khan (1985), (Eastin & Arbogast (2011) and Adam Smith (2018)

2.4. Policy Review Regarding to Coffee and Coffee Export

In response to a series of policy reforms in the early 1990s it changed the balance of incentives toward export crops. This paves the way for the Vietnam to enter in to coffee market. These reforms facilitated land ownership and liberalized input and output markets. Following the reforms, for example, fertilizer prices were declined by almost 50 percent (Baffes, 2005).

Other reforms (known as DoiMoi) encouraged internal migration to the Central Highlands because of easy access to new land (eventually to be used for coffee production). However, some help came from the Soviet Union and Eastern European countries in the form of technical assistance during the early 1980s (Samia , 2000).

Because neither Vietnam nor these countries were ICO members, and hence not bound by any quota obligations, they could expand coffee production and trade without any restriction (Baffes, 2005).. The expansion was also aided by the desire of the Soviet Union and Eastern European countries to have access to coffee without paying hard currency.

On the other Extensive mechanization of coffee harvesting, along with the development of high-yielding varieties, has reduced costs of production, while shifting production to the north, away from the frost-prone areas of the south, has reduced the likelihood of weather-related supply disruptions. While Latin America and Asia have increased their shares in global coffee output, Africa's share has declined from 33 percent in 1970 to 18 percent in 2000. Africa's coffee output has never surpassed its peak in 1972.

Specifically in case of Ethiopia one worth noting is the shift toward instant coffee among the major consuming countries over the past thirty years, and which has affected both the level of per capita consumption as well as the market potential of coffee producers.

Non-instant, or percolated coffee, relies largely on Arabica coffee beans, while Robusta beans are more important to instant coffee products. Because Ethiopia has traditionally been a producer of Arabica coffee, such shifts in world coffee market demand take on added significance (Samia , 2000).

In addition constitutions, for example, do not specify the rules and procedures for arriving at coordinated policies within a federal structure. Interest rates and exchange rates, both form part of the macroeconomic policy-making prerogatives of the federal Government in Ethiopia. Yet regional and federal governments serve to shape the parameters within which enterprises make decisions with regard to investment and innovation on coffee marketing, which has a bearing on convergence or divergence in regional development (United Nation, 2002).

2.5. Review of Empirical Studies

2.5.1. Empirical Evidence on Challenges of Coffee Exporting

Lukanima and Swaray (2014) recalled us the predominance of small-scale farmers as one of the key features of the coffee plantation in Ethiopia (Nsabimana & Wondmagegn , 2019). In addition coffee export is challenged by, high dependency on traditional primary agricultural commodities and recurrent world market price fluctuations and instability (Zekarias & Degye , 2019). In this regard literatures are not silent.

Mechal (2013) conducted the study on Ethiopian Coffee Exports: Development Performance, Challenges and Prospects. Using Descriptive statistics (average, ratio, and percentage) the findings of the analyses suggested that small holder farmers lack investment resources for improving production especially the introduction of environmentally-friendly production methods. Regulatory constraints, such as strict lending policies and government mandated collateral requirements are challenging smallholder farmers to secure investment resources for improving production.

According to FAO (2014) also the major challenges coffee trade included market inefficiencies and policy distortions that resulted from overvalued exchange rate, high level of impurities and weight losses, excessive margins from traders over producers and high transport and marketing costs (Zekarias & Degye , 2019). In addition there is geographical concentration of exports that makes the country vulnerable to the economic conditions (demand) of its trading partners.

Germany, Japan, United States, Djibouti and Italy are the five major trading partners of the country, which altogether absorb about 73.3 percent of the country's export. This concentration on few trading partners resulted in demand constraint for the nation's primary exports and could be as the challenge (Debel , 2002).

2.5.2. Empirical Evidence on Opportunities to Coffee Exporting

Regarding to opportunities of coffee exporting Taye&Wondifraw (2011) disclosed the following issues such as presence of model/innovative coffee farmers, local private investors, cooperative unions and state coffee farms; increasing demand for high quality coffees and encouraging global coffee markets; favorable policy environments and adoption of modern marketing system (ECX); availability of coffee research centers and quality laboratories in major coffee growing areas; emergence of few community - based coffee seeds/seedlings systems as business (small-scale farmers, private investors and state farms) & availability of very diverse Arabica coffee germplasm collections, released coffee varieties and branded Ethiopian coffees.

2.6. Summary of Literature Review and Research Gap

Even though there are so many researches involving challenges and opportunities of coffee exporting; but nothing in specific to Ethiopian Trading Business Corporation. On the other in case of south and east Africa so far done research undertakings are focused on the production side challenges such as climate variability, supply chain constraints, and modern technology adaption issues (Nsabimana & Wondmagegn , 2019). So, this study was aimed to assess the challenges and opportunities of coffee exporting in reference to Ethiopian Trading Business Corporation.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Research Design and Approach

Research design is a framework that serves as a plan to study the research problem. The role of a research design is to manage the collection of relevant data with minimal consumption of effort, time and money considering the research objectives (Kothari, 2004). This study applied descriptive research design to describe the current status, challenges facing and opportunities available for coffee export in Ethiopian Trading Business Corporation.

This study was conducted from July, 2020 to December, 2020 in Ethiopian Trading Business Corporation. Quantitative approach was used in the study design in order to produce a comprehensive analysis of the study. Quantitative data were gathered through structured questionnaire. As far as research approach is concerned, this study applied a mixed approach (a combination of qualitative and quantitative approaches). Using these two approaches the study can entertain more options to assess the challenges of coffee exporting and opportunities available to coffee exporting on empirical and participatory methods.

3.2. Population, sample and sample size of the study

The target population for this study consisted of employees of Ethiopian Trading Business Corporation. The total population was 100. Since the target population was small in number, the data collection cost for these respondents was very low, and make more reliable on the data; and hence the researcher chose census method for data collection than using sampling technique.

3.3. Data Source and Collection Method

According to Wimmer and Dominick (2011), method is a specific data collection process in accordance with the assumption of the selected methodology. Primary data are those which are collected a fresh and for the first time and thus happen to be original in

character (Kothari, 2004). For this study primary data sources were employees in Grain and Coffee Trading Business Unit. Quantitative and qualitative data collection method was employed in order to obtain detail and reliable data for analysis. Thus this study applied mainly the following information gathering tool, i.e. questionnaire survey, key informant interview (KII) and document review.

3.3.1. Survey

“Survey is a quantitative research strategy that involves the structured collection of data from a predetermined sample”. It involves three methods from which this study chose only one method which was questionnaire. “Questionnaire is a pre-formulated written set of questions to which respondents record their answers”. It is a self-explanatory, read and answered by respondents by themselves. Questionnaire is further divided in to three type’s form which again the study chose only one type which was Self-administered questionnaires.

“Those type of questionnaires in which interviewee answer the question by him/her”. Thus this study employed survey using self-administered structure questionnaires. The survey has six general parts. Part one includes general biography of survey respondents. Part two consists of questionnaires about corporation characteristics related challenges. Part three embraces questionnaires about export marketing related challenges. Part four incorporates questionnaires about economic policy, government policy and political related challenges. Part five consists of opportunity in coffee exporting. Lastly, part six embraces questionnaires about the performance of coffee exporting. The survey was done on 100 staffs in Grain and Coffee Trading Business Unit. The researcher was unlikely to have preconceived notions or prejudices about the believers.

Empirically to measure corporation characteristics, export marketing, economic policy, government policy and political related challenges & opportunity in coffee exporting the study outlined in the measurement section a five point likert scale scale. Within the scale, participants were asked to put their degree of agreement between one and five onto their attitudes/beliefs /think/know/feel about measure corporation characteristics, export marketing, economic policy, government policy and political related challenges & opportunity in coffee exporting. The scales were adopted from Demeke (2018).

3.3.2. Key Informant Interview (KII)

Key Informant Interview was carried out to triangulate the information gathered through questionnaires. KII was convened with employees at senior management level. They were seven participants with top level managers of the corporation such as Operation Deputy Chief Executive Officer, Service Deputy Chief Executive Officer, Foreign Coffee Marketing Directorate Director, Business Development Directorate Director, Finance Directorate Director, Tecnick and Logistics Directorate Director & Coffee Processing Center Head respectively.

3.3.3. Document Review

To oragnise the current status of coffee export in Ethiopian Trading Business Corporation; the researcher reviewed annual progress reports.

3.4. Method of Data Analysis

Descriptive statistics was used to summarize data, collected from the respondents. Quantitative data gathered through structured questionnaire were analyzed through descripticve statistics (frequency, percentage, standard deviation, mean and median analysis). Moreover, qualitative data gathered through interview and from secondary sources were analyzed. To identify the importance of corporation characteristics, export marketing, economic policy, government policy and political related challenges as per coffee exporting performance over the past five years chi-square test was carried on.

3.5. Instrument Reliability and Validity

For ensuring the consistency of the research findings and the accuracy with which a method measures what it is intended to measure; the study has tested the reliability and validity of the measurement scales. In these study validity is enhanced because they are confirmed by more than one instrument measuring the same thing i.e. survey, KIIs, and document review.

This study reduced the researcher effects by ensuring that the research (interviewer) himself was belong to the same cultural group of the interviewees in Grain and Coffee Trading Business Unit. On the other hand, Fraenken and Wallen (2003) reported that reliability indicates the consistency of the scores obtained between different respondents

or within the responses of the same subjects' overtime (Reimann , Filzmoser , Garrett , & Dutter, 2018).

So, reliability of the items to the variables was measured by using Crobach's alpha method by the help of SPSS version 24. The consistency of each item with the scale as a whole to CCC (Corporation Characteristics related Challenges), EMC (Export Marketing related Challenges) and OCE (Opportunity in Coffee Exporting) was presented in table 3.1 with Crobach's alpha .875, .711, .915 and .701 respectively. In the case of OCE (Opportunity in Coffee Exporting) two items with poor loading i.e. (1) the existing situation of large inefficiency range of Ethiopian Trading Business Corporation & (2) the higher willingness and demand of main actors for partnership in coffee exporting in the study scale are not representing the construct the study was trying to measure and they were removed.

Table 3. 1 Reliability test

Reliability Statistics to CCC (Corporation Characteristics related Challenges)	
Cronbach's Alpha	N of Items
0.875	9
Reliability Statistics to EMC (Export Marketing related Challenges)	
Cronbach's Alpha	N of Items
0.711	9
Reliability Statistics to EGPPC1 (Economic Policy, Government Policy and Political related Challenges)	
Cronbach's Alpha	N of Items
0.915	9
Reliability Statistics to OCE(Opportunity available for coffee exporting)	
Cronbach's Alpha	N of Items
0.701	5

Source: own survey SPSS V24 (2020)

3.6. Ethical Consideration

To collect pertinent data from Ethiopian Trading Business Corporation, the researcher took support letter from St. Mary' University. The respondents were asked respectfully to complete the questionnaire based on their willingness. The responses of respondents

were remained anonymous and only used for the study purpose. The researcher did not disclose the privacy of respondents and the information collected from respondents was kept secretly. Confidentiality was considered in all levels of the study during information gathering.

CHAPTER FOUR

RESULT AND DISCUSSION

4.1. Introduction

This chapter attempted to analyze and interpret the data collected and summarized. The results are made to relate to the key considerations discussed in the literature review sections. At the same time, the data were analyzed in line with specific objectives stated in the study. Basically, this study tried to assess the challenges and opportunities of coffee exporting in reference to Ethiopian Trading Business Corporation. The data collected were processed using SPSS version 24.

4.2. Response Rate

Out of a total of 100 respondents, 100 % of the surveyed participants return the questionnaires. Therefore, the researcher used all the questionnaires returned for further analysis.

4.3. Demographic Characteristics of the Respondents

General demographic information was collected from employees of Grain and Coffee Trading Business Unit. Demographic information of the respondents includes age, sex, service year and managerial position as presented in Table 4.1 below.

Table 4. 1Demographic characteristics of the respondents

Age					
Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	25-34	29	29.0	29.0	29.0
	35-44	33	33.0	33.0	62.0
	45-54	29	29.0	29.0	91.0
	>54	9	9.0	9.0	100.0
Sex					
Valid	Female	38	38.0	38.0	38.0
	Male	62	62.0	62.0	100.0
Education					
Valid	TVET levels	7	7.0	7.0	7.0
	Bachelor Degree	57	57.0	57.0	64.0
	Master Degree	33	33.0	33.0	97.0
	Ph.D.	3	3.0	3.0	100.0
Service year					
Valid	Less than 1 year	3	3.0	3.0	3.0
	1 to 3 years (less than 3 years)	11	11.0	11.0	14.0
	3 to 5 years (including 5 years)	19	19.0	19.0	33.0
	5 to 7 years (including 7 years)	30	30.0	30.0	63.0
	7 to 10 years (including 10 years)	14	14.0	14.0	77.0
	>10 years	23	23.0	23.0	100.0
Managerial Position					
Valid	Subordinate	81	81.0	81.0	81.0
	Middle level Manager	13	13.0	13.0	94.0
	Senior Manager	6	6.0	6.0	100.0
	Total	100	100.0	100.0	

Source: own survey SPSS V24 (2020)

The table above shows that 38 (38.0%) of respondents are women, while 62 (62.0%) of the respondents are men. Further the table shows that out of the total sample size, 57 (57.0%) of the respondents hold a bachelor degree while 33 (33.0%) hold a Master

degree. On the other hand 7 (7.0%) of the respondents are completed TVET Levels. The rest 3 (3.0%) of the respondents hold Ph.D. With respect to experience out of the total 100 participants involved in this study 30 (30.0%), are tenured in Grain and Coffee Trading Business Unit for 5 to 7 years (including 7 years).

As far the experience of survey respondents is concerned, 14 (14.0%), are tenured in Grain and Coffee Trading Business Unit for 7 to 10 years (including 10 years). 19 (19.0%) are also tenured in Grain and Coffee Trading Business Unit for 3 to 5 years (including 5 years). On the otherhand out of total 100 employees involved in this study 11(11.0%) have served 1 to 3 years (less than 3 years) in Grain and Coffee Trading Business Unit.

The rest 23(23.0%) are tenured in Grain and Coffee Trading Business Unit for more than 10 years. Relatively more than half of participants (67%) are tenured in Grain and Coffee Trading Business Unit for more than 5 years which in turn gave relatively better opportunity to elicit analyzable information and data on assessing the challenges and opportunities of coffee exporting in reference to Ethiopian Trading Business Corporation.

4.4. The current status of coffee export in Ethiopian Trading Business Corporation

According to Abu & Teddy (2014) out of the total number of coffee exporting companies, ninety three percent are private companies, five percent are coffee growing farmers' cooperative unions, and two percent are government enterprises. Government enterprise consists of Ethiopian Trading Business Corporation also.

The corporation consolidated the former four business Enterprises known as Ethiopian Grain Trade Enterprise, Ethiopian Fruit and Vegetable Sh.co, Ethiopian Trading Enterprise (Alle) and Procurement Service Enterprise (Ethiopian Trading Businesses Corporation, 2015).

This study has surveyed the current status of coffee export in Ethiopian Trading Business Corporation via document review on annual progress reports and journals. Moreover, the study deployed Key Informant Interview to the group members organized from the long

tenured staffs in Grain and Coffee Trading Business Unit. The following data discussion shows us the general export marketing practices of the corporation for the last five years presented here taken from secondary sources

Table 4. 2 Coffee export marketing practices of the corporation for the last five years

Year	Product type	Unit of Measurement	Sales Volume	Sales value in USD
2015/2016	Washed coffee	Quintal	5182	2,370,916.71
	Unwashed coffee	Quintal	48666	11,812,112
2016/2017	Washed coffee	Quintal	3582	1,772,211.98
	Unwashed coffee	Quintal	82440	24,645,990.8
2017/2018	Washed coffee	Quintal	12480	4,841,380.75
	Unwashed coffee	Quintal	38784	11,593,389.1
2018/2019	Washed coffee	Quintal	4140	1,429,242
	Unwashed coffee	Quintal	34380	9,177,915
2019/2020	Washed coffee	Quintal	1728	445,648
	Unwashed coffee	Quintal	19802	4,902,449

Source: Ethiopian Trading Business corporation Annual Report(2015-2020)

The above table reveals, in the year 2015/2016 washed coffee sold holds the share of 9.63% while unwashed coffee holds 90.37 %. In year 2016/2017 washed coffee sold holds the share of 4.17% and unwashed coffee 95.83 %, in the year 2017/2018 washed coffee holds 24.35% and unwashed coffee take 75.65%. In the year 2018/2019 washed coffee holds 10.75% and unwashed coffee take 89.25%. Finally in the year 2019/2020washed coffee share 8.03% and unwashed share 91.97%.

For the corporation except in the year 2017/2018 unwashed coffee took massive proportion. Except in the year 2016/2017 and 2017/2018 the sale value in terms of USD earned from sale of coffee decreases from 2015/2016-2019/2020 years. In contrast to 2017/2018 the sale value in terms of USD earned from sale of coffee in 2015/2016, 2016/2017, 2018/2019 and 2019/2020 decrease. It is obvious washed coffee worth more in contrast to unwashed coffee. So comparing with other years in 2017/2018washed coffee holds more share. This was also supported during Key Informant Interviews.

Among key informant interview long tenured decision makers unanimously agreed that even though the supply is not as it is needed in the market washed coffee worth more. Further, the following data discussion shows us net profit of the corporation for the last five years in coffee exporting presented here under from secondary data.

Table 4. 3 Net Profit of the corporation for the last five years in Coffee exporting

Years	Net surplus in USD
2015/2016	2,145,387
2016/2017	3,598,674
2017/2018	3,867,456
2018/2019	1,657,915
2019/2020	654,987
Total	11,924,419

Source: Source: Grain and Coffee Trading Business Annual Report (2015-2020)

The above table confirms that the net surplus of the corporation decreased from year to year. The highest net profit was recorded in the year 2017/2018 and the lowest profit was recorded in 2019/2020 year. The total net profit the corporation earned from coffee export for the last five years was total **11,924,419** USD.

From this, it is possible to understand the export marketing practice of coffee resulted in decrement of the net surplus and the corporation is not on good condition in getting profit from the coffee export activity. In addition the study has done survey on employee on to his/her attitude/belief /think/know/feel about the performance of coffee exporting and presented below.

Table 4. 4 Performance of coffee exporting

S/ N	Statement	No and %	Frequency/ Percentage	Degree of agreement					Media n
				Strongl y disagree	Disagr ee	Neutra l	Agree	Strongl y agree	
1	Decreasing in volume and sale value of coffee exporting	No	100	0	9	5	61	25	4
		%	100	0	9.0	5.0	61.0	25.0	

Source: own survey SPSS V24 (2020)

In the corporation the volume of exported coffee was not increasing during the last five years, instead it was decreased. This is shown by 61 (61.0%) agreement by respondents and median value of 4 demonstrates that. In addition the value of exported coffee is not significantly increasing during the last five years. The financial performance was also slightly related with exported performance.

4.5. Challenges of coffee exporting

4.5.1. Corporation Characteristics related Challenges

As part of descriptive survey the investigator contacted employees in Grain and Coffee Trading Business Unit via likert type scale questions about corporation characteristics related challenges. The table below presented surveyed results by the responses to the query in the survey.

Table 4. 5 Corporation Characteristics related Challenges

Statement	No and %	Frequency/Percentage	Degree of agreement					Median
			Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Lack of financial resource	No	100	18	0	3	50	29	4
	%	100	18.0	0.0	3.0	50.0	29.0	
Lack of knowledge to foreign marketing	No	100	4	3	16	50	27	4
	%	100	4.0	3.0	16.0	50.0	27.0	
Lack of coffee export experience (trends)	No	100	15	1	4	61	19	4
	%	100	15.0	1.0	4.0	61.0	19.0	
Lack of infrastructure to export coffee	No	100	4	3	11	60	22	4
	%	100	4.0	3.0	11.0	60.0	22.0	
Lack of appropriate	No	100	3	3	2	64	28	4

technology innovation to export	%	100	3.0	3.0	2.0	64.0	28.0	
Lack of export marketing research and development	No	100	3	14	9	46	28	4
	%	100	3.0	14.0	9.0	46.0	28.0	
Problems of corporation's working culture	No	100	4	9	42	42	3	3
	%	100	4.0	9.0	42.0	42.0	3.0	
Problems of firm size	No	100	16	30	31	20	3	3
	%	100	16.0	30.0	31.0	20.0	3.0	
Unsuitability of corporation's location	No	100	19	32	32	9	8	3
	%	100	19.0	32.0	32.0	9.0	8.0	

Source: own survey SPSS V24 (2020)

As the result presented on the above table, in reference to Ethiopian Trading Business Corporation coffee export is challenged by the lack of knowledge to foreign marketing. This is shown by 50 (50.0%) agreement by respondents and median value of 4 demonstrates that. The corporation is also challenged by the lack of coffee export experience (trends). This is shown by 61 (61.0%) agreement by respondents and median value of 4 demonstrates that.

Lack of infrastructure to export coffee is demonstrated by 60 (60.0%) agreement of respondents and median value of 4 states the same. As the result illustrated on the above table, concerning of lacking of appropriate technology innovation to export 64 (64.0%) of the respondents were in the agreement level, while 3 (3.0%) were disagree.

More over the median distribution of the response was found 4, which both value show the value of 'agree'. This implies that in reference to Ethiopian Trading Business Corporation coffee export is challenged by the lack of appropriate technology innovation to export. In addition lack of export marketing research and development is demonstrated by 46 (46.0%) agreement of respondents and median value of 4 states the same.

Key Informant Interview also strengthened this finding. For instance, the participants repeatedly explained challenges mentioned above in part by saying that 'the corporation

is still constrained by the lack of appropriate technology innovation and lack of knowledge to foreign marketing'. The result obtained also complied with previous empirical studies.

For instance, Demeke (2018) pointed out previously that the corporation lacks of marketing research and development problems to improve the existing level of export performance. Nsabimana&Wondmagegn (2019) also disclosed that in East Africa the corporations suffer with lack of infrastructure to export coffee. The corporation does not have preferable working culture. The corporation does not have financial problems to export coffee. The corporation's firm size hasn't negative effect on export performance.

4.5.2. Export Marketing related Challenges

This study also assessed employees' opinion on issues related to export marketing related challenges. The table below presented surveyed results to the query.

Table 4. 6 Export Marketing related Challenges

Statement	No and %	Frequency/Percentage	Degree of agreement					Median
			Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Problems of pricing policies to obtain competitive advantages	No	100	0	9	5	61	25	4
	%	100	0.0	9.0	5.0	61.0	25.0	
Problems of placing the product in the right time	No	100	3	3	9	65	20	4
	%	100	3.0	3.0	9.0	65.0	20.0	
Inappropriate advertising trends	No	100	0	3	3	72	22	4
	%	100	0.0	3.0	3.0	72.0	22.0	
Coffee quality problems	No	100	24	11	6	55	4	4
	%	100	24.0	11.0	6.0	55.0	4.0	
Problems of meeting importers quality standards for	No	100	6	35	8	40	11	4
	%	100	6.0	35.0	8.0	40.0	11.0	

export markets								
Presences of higher price of coffee in domestic market	No	100	24	23	2	47	4	4
	%	100	24.0	23.0	2.0	47.0	4.0	
Presence of lower price in world coffee market	No	100	18	13	6	49	14	4
	%	100	18.0	13.0	6.0	49.0	14.0	
Lack of appropriate pricing strategies to foreign markets	No	100	20	25	1	48	6	4
	%	100	20.0	25.0	1.0	48.0	6.0	

Source: own survey SPSS V24 (2020)

As the result illustrated on the above table, concerning of problems of pricing policies to obtain competitive advantages in challenging coffee export 61 (61.0%) of the respondents were in the agreement level, while 9(9.0%) were disagree (Table4.5). More over the median distribution of the response was found 4, which both value show the value of ‘agree’. This implies problems of pricing policies to obtain competitive advantages are challenging coffee export in reference to Ethiopian Trading Business Corporation.

Problems of placing the product in the right time are demonstrated by 65 (65.0%) agreement of respondents and median value of 4 states the same. Coffee export is challenged by the inappropriate advertising trends. This is shown by 72 (72.0%) agreement by respondents and median value of 4 demonstrates that.

Concerning of coffee quality problems in hindering coffee exporting 55 (55.0%) of the respondents were in the agreement level, while 11 (11.0%) were disagree (Table4.5). More over the median distribution of the response was found 4, which both value show the value of ‘agree’. This implies that there exist coffee quality problem that hinder coffee export in reference to Ethiopian Trading Business Corporation. Coffee export is also challenged by the presences of higher price of coffee in domestic market. This is shown by 47 (47.0%) agreement by respondents and median value of 4 demonstrates that. Presence of lower price in world coffee market is demonstrated by 49 (49.0%) agreement of respondents and median value of 4 states the same.

Key Informant Interview results also complied with this finding. For instance, the participants repeatedly explained challenges mentioned above in part by saying that ‘the corporation is still constrained by the presence of lower price in world coffee market & problems of meeting importers quality standards for export markets’. The result obtained also complied with previous empirical studies. Demeke (2018) revealed that the corporation has pricing policies problems to obtain competitive advantages.

The corporation has inappropriate pricing strategies which have negative impacts on coffee export performance. The corporation has been suffered through Presence of lower price in world coffee market it affect coffee export performance of the corporation. Da Silva, F., & Da Costa, J. H. (2015) also revealed that the presences of higher price of product in domestic market affected coffee export performance of the corporation. Exporting companies have a problem to provide a preferable quality product with regard to customer’s quality specification.

There is a partial problem to provide quality product. Exporting companies do not adopt sales promotion practices integrated with advertising. They do not adopt effective advertising trends, which has its own influence on coffee export performance of the corporation. Exporting companies have not well-organized personal selling adaptation trends. They have a problem to provide the required amount of product at the right time and place.

4.5.3. Economic Policy, Government Policy and Political related Challenges

This study has done survey on employee on to his/her attitude/belief /think/know/feel about economic policy, government policy and political related challenges. The table below presented surveyed results by the responses to the query in the survey.

Table 4. 7 Economic Policy, Government Policy and Political related Challenges

Statement	No and %	Frequency/Percentage	Degree of agreement					Median
			Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
High freight costs to foreign market	No	100	6	8	32	51	3	4
	%	100	6.0	8.0	32.0	51.0	3.0	
Red tape bottleneck in public institution to operate export procedural process	No	100	20	17	18	42	3	4
	%	100	20.0	17.0	18.0	42.0	3.0	
Nation's political instability	No	100	9	29	39	14	9	3
	%	100	9.0	29.0	39.0	14.0	9.0	
Lack of government motivations to the coffee export sector	No	100	8	20	45	18	9	3
	%	100	8.0	20.0	45.0	18.0	9.0	
Lack of government assistance to overcome coffee export barriers	No	100	6	22	25	44	3	3
	%	100	6.0	22.0	25.0	44.0	3.0	
Long and sophisticated procedural requirements of export processing	No	100	3	19	30	45	3	4
	%	100	3.0	19.0	30.0	45.0	3.0	
High/Low values of foreign exchange rate	No	100	3	24	26	44	3	4
	%	100	3.0	24.0	26.0	44.0	3.0	
Presences of high inflation	No	100	3	18	18	51	10	4
	%	100	3.0	18.0	18.0	51.0	10.0	
Presences of high interest rates	No	100	6	20	36	15	23	3
	%	100	6.0	20.0	36.0	15.0	23.0	

Source: own survey SPSS V24 (2020)

As the result presented on the above table, in reference to Ethiopian Trading Business Corporation coffee export is challenged by high freight costs. This is shown by 51(51.0%) agreement by respondents and median value of 4 demonstrates that. Presence of high inflation is demonstrated by 51(51.0%) agreement of respondents and median value of 4 states the same. In addition coffee export is challenged by high/low values of foreign exchange rate. This is shown by 44 (44.0%) agreement by respondents and median value

of 4 demonstrates that. Concerning of long and sophisticated procedural requirements of export processing in hindering coffee exporting 45 (45.0%) of the respondents were in the agreement level, while 19 (19.0%) were disagree (Table 4.6). More over the median distribution of the response was found 4, which both value show the value of 'agree'. This implies that there exist long and sophisticated procedural requirements of export processing that hinder coffee export in reference to Ethiopian Trading Business Corporation. Coffee export is also challenged by the lack of government assistance to overcome coffee export barriers. This is shown by 47 (47.0%) agreement by respondents and median value of 4 demonstrates that.

Previously Demeke (2018) cited that the corporation has some competitive advantages over other competitors. The presence of high interest rates slightly affect coffee export performance of the corporation. The presence of high inflation partially affects coffee export performance of the corporation. The lack of appropriate infrastructure availability slightly affects coffee export performance of the corporation. The long and sophisticated procedural requirements of export processing highly affect coffee export performance of the corporation.

In addition Nsabimana & Wondmagegn (2019) also disclosed that in East Africa government assistance is not enough to tackle export obstacles. There is red tape in public institution which is difficult to operate export procedural process properly.

4.6. Opportunities available for coffee exporting

As part of descriptive survey the investigator contacted employees in Grain and Coffee Trading Business Unit via likert type scale questions about opportunities available for coffee exporting. The table below presented surveyed results by the responses to the query in the survey.

Table 4. 8 Opportunities available for coffee exporting

Statement	No and %	Frequency/Percentage	Degree of agreement					Median
			Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
The presence of huge natural and human resources in the coffee sector	No	100	24	3	26	27	20	4
	%	100	24.0	3.0	26.0	27.0	20.0	
There is enabling policy environment supporting coffee research and development	No	100	24	11	10	39	16	4
	%	100	24.0	11.0	10.0	39.0	16.0	
There is enabling policy environment improving access to price risk management tools	No	100	8	29	33	20	10	3
	%	100	8.0	29.0	33.0	20.0	10.0	
There is enabling policy environment promote a strong institutional framework to better coordinate policy	No	100	6	27	37	27	3	3
	%	100	6.0	27.0	37.0	27.0	3.0	
There is enabling policy environment improving macroeconomic policy	No	100	3	36	48	9	4	3
	%	100	3.0	36.0	48.0	9.0	4.0	

Source: own survey SPSS V24 (2020)

As the result illustrated on the above table, considering the presence of huge natural and human resources as the opportunity available for the coffee sector 27 (27.0%) of the respondents were in the agreement level, while 3 (3.0%) were disagree. More over the median distribution of the response was found 4, which both value show the value of

‘agree’. This implies the presence of huge natural and human resources is the opportunity available for the coffee sector. Concerning of enabling policy environment supporting coffee research and development 39 (39.0%) of the respondents were in the agreement level, while 11(11.0%) were disagree. More over the median distribution of the response was found 4, which both value show the value of ‘agree’. This implies there is enabling policy environment supporting coffee research and development.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

This chapter presents findings, conclusion and some relevant recommendations to practice as well as for future researchers based on objective of the study mentioned in Chapter One.

5.1 Summary of Findings

In this thesis work, the study assessed the challenges and opportunities of coffee exporting in reference to Ethiopian Trading Business Corporation. The study has used descriptive statistics that are frequency distributions, percentage and median for analysis and the findings are summarized as follows.

- In the year 2015/2016 washed coffee sold holds the share of 9.63% while unwashed coffee holds 90.37 %. In year 2016/2017 washed coffee sold holds the share of 4.17% and unwashed coffee 95.83 %, in the year 2017/2018 washed coffee holds 24.35% and unwashed coffee take 75.65%. In the year 2018/2019 washed coffee holds 10.75% and unwashed coffee take 89.25%. Finally in the year 2019/2020 washed coffee share 8.03% and unwashed share 91.97%.
- For the corporation except in the year 2017/2018 unwashed coffee took massive proportion. Except in the year 2016/2017 and 2017/2018 the sale value in terms of USD earned from sale of coffee decreases from 2015/2016-2019/2020 years. In contrast to 2017/2018 the sale value in terms of USD earned from sale of coffee in 2015/2016, 2016/2017, 2018/2019 and 2019/2020 decrease. It is obvious washed coffee worth more in contrast to unwashed coffee. So comparing with other years in 2017/2018 washed coffee holds more share.
- The net surplus of the corporation decreased from year to year. The highest net profit was recorded in the year 2017/2018 and the lowest profit was recorded in 2019/2020 year. The total net profit the corporation earned from coffee export for the last five years was total **11,924,419** USD. From this, it is possible to

understand the export marketing practice of coffee resulted in decrement of the net surplus and the corporation is not on good condition in getting profit from the coffee export activity.

- In the corporation the volume of exported coffee was not increasing during the last five years, instead it was decreased. This is shown by 61 (61.0%) agreement by respondents and median value of 4 demonstrates that. In addition the value of exported coffee is not significantly increasing during the last five years. The financial performance was also slightly related with exported performance.
- In reference to Ethiopian Trading Business Corporation coffee export is challenged by the lack of knowledge to foreign marketing. This is shown by 50 (50.0%) agreement by respondents and median value of 4 demonstrates that. The corporation is also challenged by the lack of coffee export experience (trends). This is shown by 61 (61.0%) agreement by respondents and median value of 4 demonstrates that.
- Lack of infrastructure to export coffee is demonstrated by 60 (60.0%) agreement of respondents and median value of 4 states the same. As the result illustrated on the above table, concerning of lacking of appropriate technology innovation to export 64 (64.0%) of the respondents were in the agreement level, while 3 (3.0%) were disagree. More over the median distribution of the response was found 4, which both value show the value of 'agree'. This implies that in reference to Ethiopian Trading Business Corporation coffee export is challenged by the lack of appropriate technology innovation to export. In addition lack of export marketing research and development is demonstrated by 46 (46.0%) agreement of respondents and median value of 4 states the same. Key Informant Interview also strengthened this finding. For instance, the participants repeatedly explained challenges mentioned above in part by saying that 'the corporation is still constrained by the lack of appropriate technology innovation and lack of knowledge to foreign marketing'.
- Concerning of problems of pricing policies to obtain competitive advantages in challenging coffee export 61 (61.0%) of the respondents were in the agreement level, while 9 (9.0%) were disagree (Table 4.5). More over the median distribution

of the response was found 4, which both value show the value of 'agree'. This implies problems of pricing policies to obtain competitive advantages are challenging coffee export in reference to Ethiopian Trading Business Corporation.

- Problems of placing the product in the right time are demonstrated by 65 (65.0%) agreement of respondents and median value of 4 states the same. Coffee export is challenged by the inappropriate advertising trends. This is shown by 72 (72.0%) agreement by respondents and median value of 4 demonstrates that.
- Concerning of coffee quality problems in hindering coffee exporting 55 (55.0%) of the respondents were in the agreement level, while 11 (11.0%) were disagree (Table 4.5). Moreover the median distribution of the response was found 4, which both value show the value of 'agree'. This implies that there exist coffee quality problem that hinder coffee export in reference to Ethiopian Trading Business Corporation. Coffee export is also challenged by the presence of higher price of coffee in domestic market. This is shown by 47 (47.0%) agreement by respondents and median value of 4 demonstrates that. Presence of lower price in world coffee market is demonstrated by 49 (49.0%) agreement of respondents and median value of 4 states the same. Key Informant Interview results also complied with this finding. For instance, the participants repeatedly explained challenges mentioned above in part by saying that 'the corporation is still constrained by the presence of lower price in world coffee market & problems of meeting importers quality standards for export markets'.
- In reference to Ethiopian Trading Business Corporation coffee export is challenged by high freight costs. This is shown by 51 (51.0%) agreement by respondents and median value of 4 demonstrates that. Presence of high inflation is demonstrated by 51 (51.0%) agreement of respondents and median value of 4 states the same. In addition coffee export is challenged by high/low values of foreign exchange rate. This is shown by 44 (44.0%) agreement by respondents and median value of 4 demonstrates that. Concerning of long and sophisticated procedural requirements of export processing in hindering coffee exporting 45 (45.0%) of the respondents were in the agreement level, while 19 (19.0%) were disagree (Table 4.6). Moreover the median distribution of the response was found

4, which both value show the value of 'agree'. This implies that there exist long and sophisticated procedural requirements of export processing that hinder coffee export in reference to Ethiopian Trading Business Corporation. Coffee export is also challenged by the lack of government assistance to overcome coffee export barriers. This is shown by 47 (47.0%) agreement by respondents and median value of 4 demonstrates that.

- Considering the presence of huge natural and human resources as the opportunity available for the coffee sector 27 (27.0%) of the respondents were in the agreement level, while 3 (3.0%) were disagree. More over the median distribution of the response was found 4, which both value show the value of 'agree'. This implies the presence of huge natural and human resources is the opportunity available for the coffee sector. Concerning of enabling policy environment supporting coffee research and development 39 (39.0%) of the respondents were in the agreement level, while 11(11.0%) were disagree. More over the median distribution of the response was found 4, which both value show the value of 'agree'. This implies there is enabling policy environment supporting coffee research and development.

5.2. Conclusion

The large numbers of studies have been conducted by various research scholars and academicians across the globe, to assess the challenges and opportunities of coffee exporting. This thesis was an attempt to assess the challenges and opportunities of coffee exporting in reference to Ethiopian Trading Business Corporation. The study was conducted on 100 staffs employed at staffs in Ethiopian Trading Business Corporation.. Relying on existing literature; issues were considered and offered to respondents in form of a closed ended questionnaire to mark their responses.

The collected data was analyzed with the help of statistical package for social science (SPSS24). Based on the aforementioned findings the study led to the following conclusion i.e. the corporation unwashed coffee took massive proportion. The sale value in terms of USD earned from sale of coffee decreases from 2015/2016-2019/2020 years.

Export marketing practice of coffee resulted in decrement of the net surplus and the corporation is not on good condition in getting profit from the coffee export activity.

The financial performance was also slightly related with exported performance. For the corporation coffee export is challenged by the lack of knowledge to foreign marketing, coffee export experience (trends), appropriate technology innovation to export. Problems of pricing policies to obtain competitive advantages also challenge coffee exporting. As the opportunities available for coffee export encompasses huge natural and human resources as the opportunity available for the coffee sector & enabling policy environment supporting coffee research and development.

5.3. Recommendation

Based on the findings and the conclusions made, the following recommendations are provided:

- ✚ The corporation focus on exporting washed coffee to maximize its financial performance to be more related with exported performance.
- ✚ The corporation should adopt modern product delivery method in order to convey the required product at the required time and place.
- ✚ Greater efforts should be made to gain enhanced knowledge to globally intelligent export marketing. Up to date training on coffee export need to be organised for the employees of Ethiopian Trading Business Corporation.
- ✚ The corporation should develop effective strategies to identify and overcome challenges that will have faced.
- ✚ The corporation should adopt appropriate technologies and implement in order to improve the very low coffee export performance.
- ✚ The corporation should put its endeavor on setting up cheaper local certification schemes that would be credible in international markets and that would benefit corporation's suppliers.
- ✚ The corporation should employ opportunities such as available huge natural resources and enabling policy in coffee export marketing.

REFERENCES

- ABIY , T. (2016). ASSESSMENTS OF COFFEE MARKETING CHAIN AND ITS EXPORT PERFORMANC IN ETHIOPIAN GDP. 10-12.
- Baffes, J. (2005). COFFEE: MARKET SETTING AND POLICIES. 298-301.
- Cyntia, G. (2010). Understanding, selecting, and integrating a theoretical framework in dissertation research: creating the blueprint for your “house”. 2-5.
- Da Silva, F., & Da Costa, J. H. (2015). COPING STRATEGIES AND CHALLENGES OF COFFEE EXPORTING COMPANIES IN TIMOR-LESTE. 4-7.
- Ethiopian Coffee and Tea Authority. (2014). Ethiopia Coffee Sector Policy Reform. *Ethiopia Coffee Sector Policy Reform*. Addis Ababa, Ethiopia.
- Ethiopian Trading Businesses Corporation. (2015, April 15). Ethiopian Trading Businesses Corporation’s Profile. *Ethiopian Trading Businesses Corporation’s Profile*. Addis Ababa, Addis Ababa, Ethiopia.
- Grain and Coffee Trading Business Unit. (2018). *Grain and Coffee Trading Business Annual Report*. Addis Ababa.
- Kothari. (2004). Research methodology, methods and techniques. 13-14.
- Mechal , T. (2013). Ethiopian Coffee Exports: Development Performance,Challenges and Prospects. 2-8.
- Mutandwa, E., Kanuma, N. T., Mugenzi, P., & Govere, I. (2013). Analysis of coffee export marketing in Rwanda: Application of the Boston consulting group matrix. *African Journal of Business Management*, 211-213.
- Nsabimana, A., & Wondmagegn , T. T. (2019). Examining coffee export performance in Eastern and Southern African countries: do bilateral traderelations matter? 47-49.
- Taye , K., & Wondyifraw , T. (2011). Challenges and Opportunities of the Coffee Seed System of Ethiopia. 520-522.

QUESTIONNAIRES

Dear survey participants,

This study is conducted in partial fulfillment for the Masters of Business Administration (MBA) in St. Mary's University. It is conducted to provide an insight in to the nature of challenges and opportunities of coffee exporting in reference to Ethiopian Trading Business Corporation. To this end, questionnaire survey is used to collect pertinent data from respondents. The survey has six general parts. Part one includes household characteristics related questions. Part two consists of economic characteristics related questions. Part three embraces plot characteristics related questions. Part four is inquiry about access to services. Part five encompasses Adoption of soil and water conservation technologies related questions. Part six is inquiry about income and food security indicators. The survey will take 30 minutes to complete. The information you provided will be used only for academic purposes and hence remain confidential. Thus, you are not required to give information about your name, address and other personal information. Given the importance of the topic covered in the study, your genuine responses are vital for the success of this study. So, you are kindly requested to give information honestly and responsibly. Thank you in advance for your willingness to participate in this survey by sparing your precious time.

If you have questions, please don't hesitate to contact the researcher via the following contact address:

Phone: +251911479941

Email: gashawwubante@gmail.com

Part I: General Biography of Survey Respondents

1. Please choose your age from the given options
 - A. 24 years and below
 - B. 25- 34 years
 - C. 35- 44 years
 - D. 45- 54 years
 - E. More than 54 years
2. Please choose your gender from the given options
 - A. Male
 - B. Female
3. Please choose your level of education from the given options
 - A. Grade 12 completed
 - B. TVET levels
 - C. Bachelor Degree
 - D. Master Degree
 - E. Ph.D. Degree
4. Please state how long you worked in the organization
 - A. Less than 1 year
 - B. 1 to 3 years (less than 3 years)
 - C. 3 to 5 years (including 5 years)
 - D. 5 to 7 years (including 7 years)
 - E. 7 to 10 years (including 10 years)
 - F. >10 years
5. Could you please specify your managerial position in the organization?
 - A. Senior Manager
 - B. Middle level manger
 - C. Subordinate

Part II: Corporation Characteristics related Challenges

S/N	Issues	Response	
1	Problems of firm size	Strongly agree (5)	
		Agree (4)	
		Neutral (3)	
		Disagree(2)	
		Strongly disagree (1)	
2	Lack of financial resource	Strongly agree (5)	
		Agree (4)	
		Neutral (3)	
		Disagree (2)	
		Strongly disagree (1)	
3	Problems of corporation's working culture	Strongly agree (5)	
		Agree (4)	
		Neutral (3)	
		Disagree (2)	
		Strongly disagree (1)	
4	Lack of knowledge to foreign marketing	Strongly agree (5)	
		Agree (4)	
		Neutral (3)	
		Disagree (2)	
		Strongly disagree (1)	

S/N	Issues	Response	
5	Unsuitability of corporation's location	Strongly agree (5)	
		Agree (4)	
		Neutral (3)	
		Disagree (2)	
		Strongly disagree (1)	
6	Lack of export marketing research and development	Strongly agree (5)	
		Agree (4)	
		Neutral (3)	
		Disagree (2)	
		Strongly disagree (1)	
7	Lack of coffee export experience (trends)	Strongly agree (5)	
		Agree (4)	
		Neutral (3)	
		Disagree (2)	
		Strongly disagree (1)	
8	Lack of infrastructure to export coffee	Strongly agree (5)	
		Agree (4)	
		Neutral (3)	
		Disagree (2)	
		Strongly disagree (1)	
9	Lack of appropriate technology innovation to export	Strongly agree (5)	
		Agree (4)	
		Neutral (3)	
		Disagree (2)	
		Strongly disagree (1)	

Part III: Export Marketing related Challenges

S/N	Issues	Response	
1	Problems of pricing policies to obtain competitive advantages	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
2	Lack of appropriate pricing strategies to foreign markets	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
3	Presence of lower price in world coffee market	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
4	Presences of higher price of coffee in domestic market	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
5	Problems of meeting importers quality standards for export markets.	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
6	Coffee quality problems	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
7	Inappropriate advertising trends	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
8	Problems of placing the product in the right time	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
9	Right time delivery problems	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	

Part IV: Economic Policy, Government Policy and Political related Challenges

S/N	Issues	Response	
1	Presences of high interest rates	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
2	Presences of high inflation	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
3	High/Low values of foreign exchange rate	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
4	Long and sophisticated procedural requirements of export processing	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
5	Lack of government assistance to overcome coffee export barriers	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	

S/N	Issues	Response	
6	Red tape bottleneck in public institution to operate export procedural process.	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
7	Lack of government motivations to the coffee export sector	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
8	Nation's political instability	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
9	High freight costs to foreign market	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	

Part V: Opportunities available for Coffee Exporting

S/N	Issues	Response	
1	The existing situation of large inefficiency range of Ethiopian Trading Business Corporation	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree(4)	
		Strongly agree (5)	
2	The higher willingness and demand of main actors for partnership in coffee exporting	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree(5)	
3	The presence of huge natural and human resources in the coffee sector	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
4	There is enabling policy environment supporting coffee research and development	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree(5)	
5	There is enabling policy environment improving access to price risk management tools	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
6	There is enabling policy environment Promote a strong institutional framework to better coordinate policy	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	
7	There is enabling policy environment improving macroeconomic policy	Strongly disagree (1)	
		Disagree (2)	
		Neutral (3)	
		Agree (4)	
		Strongly agree (5)	

Part VI: Questionnaires about Performance of Coffee Exporting

S/N	Issues	Response	
1	Volume of exported coffee was increasing during the last five years	Not an important	
		A somewhat important	
		Uncertain	
		An important	
		A very important	
2	Value of exported coffee was increasing during the last five years	Not an important	
		A somewhat important	
		Uncertain	
		An important	
		A very important	
3	Financial performance was positively related with coffee export performance	Not an important	
		A somewhat important	
		Uncertain	
		An important	
		A very important	

Part VII: Interview Guide

- 1. Explain the current status of coffee exporting with reference to Ethiopian Trading Business Corporation

- 2. Explain the challenges of coffee exporting with reference to Ethiopian Trading Business Corporation

- 3. Explain the volume of coffee exported over the past five years

- 4. Explain the value of exported coffee over the past five years

- 5. Explain the financial performance of exported coffee over the past five years

Thank you