The Implication of Market Access and Production Levels for Coffee Profitability by Smallholder Farmers in Post-Liberalized Marketing, Tanzania

By

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Abstract

This study tests the hypothesis whether there was significant difference in the input use, costs and coffee profitability by farmers of varied socioeconomic background as described by the level of production and accessibility to District Headquarters (DHQ). The study was conducted in Rungwe District, Southwest Tanzania. One hundred and forty smallholder coffee farmers were randomly selected for interview. Consultations were also made with the coffee buyers, district authority and the Ministry of Agriculture focusing mainly on the policy and intervention strategies. Findings show a significant low input use by all sample farmers after market liberalization but still profitable by all farmer categories. Nevertheless, large producers and farmers in easily accessible areas to the DHQ had significantly higher input use, low input cost, high producer prices and profits compared to low producers and the farmers in remote areas. It is concluded that improving accessibility to input and output markets, enhancing production levels and facilitating farmers' organizations for marketing may reduce the marketing costs and enhance coffee profitability by smallholder farmers.

Keywords

Marketing; Tanzania; Market; Coffee; Farmers