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National Workshop on

Fostering Integration of the Ethiopian Roasted Coffee Value Chain into Regional Value Chains

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The experience of Tarara Coffee, fine Ethiopian coffee

By

Blen Hailu, Export Manager, Tarara Coffee

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



**“GOOD IDEAS
START WITH
COFFEE”**

Introduction

My Blen Hailu and I was born and raised in Addis Ababa, Ethiopia.

I graduated from Addis Ababa University School of Commerce with Bachelor of Marketing Management in July, 2017.

I have been working since 2019 as an Export Manager for Tarara Coffee.

My roles as an export manager is to manage and insure the whole export and logistics activity which includes procurement, quality and production.

☐ Meet the Arabica Experts

- Tarara Coffee was founded in 2006, It has secured its position as Ethiopia's premier Roasting company.
- Tarara benefits from the deep knowledge & expertise the Bagersh family has in sourcing and processing the finest washed and sundried beans from across the country.
- Today Ethiopian Coffee is recognized around the world as premium specialty product.
- It derives its name from the Amharic word for mountain. A reminder that refers to the high quality of highland coffee.

WHAT WE DO...

- We roast, grind, and pack our coffee for local and foreign markets; supplying it under the brand 'Tarara Coffee'.
- Tarara produces and exports 100% Ethiopian washed highland blend. Our experience is drawn from S.A. Bagersh PLC (since 1947) who work closely with some of the largest coffee roasters from around the world.
- There is a wide range of possibilities in mixing the different packs, roast profile and type of coffee.

Our Unique Approach

- ❑ Commonly, the presence of middlemen in the value chain drives the cost of coffee up and leads to compromised quality.
- ❑ At Tarara Coffee, specialized standards are upheld using the “Roasting at origin concept” where the value chain is controlled from farm to export. With farming, processing and roasting being controlled, middlemen are eliminated making this a premium product that is also competitively priced.

The background of the slide features a close-up, slightly blurred image of coffee beans. In the upper left, a portion of a white coffee cup is visible. The overall aesthetic is clean and professional, with a yellow and black geometric design at the top.

CHALLENGES ON THE ETHIOPIAN BUSINESSES WHEN IT COMES TO ROASTED COFFEE IN THE FOREIGN MARKET

- Due to COVID 19, the export market has not been flexible as it has become difficult to be able to promote and sale our country's coffee to the foreign market as a lot of international events, networking activities and international exhibitions has been canceled.
- Supply chain complexity, When it comes to sourcing products and services from overseas, managing suppliers and supply chains is difficult because mostly they are unpredictable and can be a tricky process.
- Identifying a true market need, not having to know there culture there is different kinds of preferences regarding roasted coffee. It requires a deep understanding of the culture, customs, morals and even religious views that predominate in that country. What motivates consumers to buy products varies from country to country.



CHALLENGES ON THE ETHIOPIAN BUSINESSES WHEN IT COMES TO ROASTED COFFEE IN THE FOREIGN MARKET

- low productivity due to disease problem, such as coffee berry disease, It has been causing severe crop losses about (30%), coupled by poor and traditional management practices and shortage of improved and adaptable coffee seed varieties.
- Low returns for farmers due to low prices paid to them mean lower agricultural households income, lower agricultural wages and loss of employment. Farmers are always the ones most affected by the international agricultural products (example coffee) price movements.
- Quality inconsistency and deterioration is often marked due to some natural calamities, such as drought, irregular rainfall, and improper processing system. This is, particularly, true in areas where unwashed/sun-dried coffee processing method is predominantly practiced.

Improvements

- Supporting participants in the domestic coffee production, improving the exporters' capacity in market information usage, international sales capacity, and negotiation skills are crucial
- Price of Ethiopian coffee is an important factor in determining the export demand for Ethiopian coffee, even though the demand is inelastic. The price competitiveness should be given due attention.
- Even though COVID 19 is a global issue we should find a way to work by boosting confidence in trade and global markets by improving transparency and by keeping global supply chains going.

Improvements

- By working with industry partners, the Ethiopian government and other concerned stakeholders should address constraints along the coffee value chain and support private sector investment. Coffee exporting companies, commercial banks and international roasters should link to address their financing and marketing needs for optimizing the overall farm-to-market value chain.
- The government and other concerned stakeholders' efforts should focus on supporting the creation of new producer cooperatives and devote to ensuring that a viable business model and capable leaders are in place for the already existing cooperatives.
- It is essential to keep government support in terms of increasing its international advocacy in order to improve coffee market prices paid by the multinational corporations.
- Integrate real-time inventory management in order to get a comprehensive overview of your entire operation in the supply chain, and always keep track of your inventory levels.
- In order to increase yields at the farm level, the bureau of agriculture at regional levels need to recruit full-time development agents specialized in coffee crop production with short or long term training to educate /provide training support to farmers at local levels on good coffee agricultural (agronomic) practices as part of the regular agricultural extension program.

TARARA

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FOR LESS

THANK YOU!

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