

Factors Affecting Coffee Price in Ethiopia: The Case of Smallholder Coffee Farmers in Dehub Bench and Sheko Districts

Ratinder Kaur

School of Management Studies Punjabi University, Patiala

Email: ratinderuniversity@gmail.com

Petros Abebe Melerasha*

Mizan - Tepi University, Ethiopia

Abstract: This paper aims to identify factors that affect smallholder coffee farmers' coffee prices in Ethiopia's Dehub Bench and Sheko districts. A multi-stage sampling method was applied. Dehub Bench and Sheko districts were organized geographically into three non-overlapping clusters, and from each group one kebele has been selected by a simple random sampling method. Cooperative members and non-cooperative members of smallholder coffee farmers' were included in the study using the proportional method to the size followed by systematic sampling method. A factor analysis was applied to analyze the correlation between variables, reduce the number of variables into fewer factors, and explain original data more economically. Standard regression weights results confirm that "there is relationship between observed variables and factors that affect smallholder coffee farmers' coffee price in the Dehub Bench and Sheko districts of Ethiopia. The result of factor analysis confirmed that lack of facilities, external factors and lack of awareness of farmers affect farmers coffee price.

Keywords: Smallholder, Coffee farmers, Coffee Price

JEL Classification Number: Q 13, L11

Citation: Kaur, R. and Melerasha, P.A., 2022, **Factors Affecting Coffee Price in Ethiopia: The Case of Smallholder Coffee Farmers in Dehub Bench and Sheko Districts**. *Empirical Economics Letters*, 21 (5), 11-26.

* Corresponding author. Scholar. Email: abebepetros85@gmail.com