

Direct Coffee Export Business and the Sustainability of Agricultural Marketing Co-operatives in Tanzania

A Case of Four Selected Non KNCU and KNCU Affiliated Primary Co-operative Societies in Kilimanjaro Region

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The study aimed at assessing the sustainability of Tanzania Agricultural Marketing Co-operative societies in doing the international coffee business. The study also examined the effectiveness of export channel used; costs incurred by the primary cooperative societies and the benefit generated the performance of the primary cooperative societies in coffee business and lastly examined the challenges facing these primary co-operative societies in doing coffee business. The study employed case study design. Methods to data collection include interview, questionnaire and documentary review. Both qualitative and quantitative data were collected. Qualitative data were analyzed using content analysis, through thematic approach. Quantitative data were analyzed through Statistical Package for Social Science (SPSS) programme version 16. The study shows that Mamsera and Mruwia non KNCU primary co-operative societies have been performing better in the international coffee business compared to Mengwe and NorthMwika KNCU based primary co-operative societies as a result of the effectiveness of the export channel they have been using, while in every I Tsh. equity invested in coffee business by KNCU based primary co-operative societies there was a loss of Tsh. 0.04. On challenges there was lack of insufficient capital, lack of education among members and leaders. The study recommended that there is a need of efforts to overcome structural bottlenecks in trade policy related to high transaction costs, also there should be provision of entrepreneurship education to the members and finally AMCOS should export other types of crops such as maize to generate more income.