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# From Futures Markets to the Farm Gate: A Study of Price Formation along Tanzania's Coffee Commodity Chain

Hannah K. Bargawi & Susan A. Newman


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changes. Finally, the study highlights the role prices, via these local-level institutions, play in extenuating differentiation between producers, creating winners and losers.

Key words: coffee commodity chain price transmission Tanzania financialization

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We wish to thank Ben Fine and Deborah Johnston for helpful comments as well as the editors of the journal and three anonymous referees. This work has been made possible by support from the Swiss National Science Foundation, SOAS, and the University of London.

## Notes

<sup>1</sup> Maimfu is the site of West's (2012) research, and Goroko is its nearest marketing center.

<sup>2</sup> Seven UN agencies joined together in 2010 to create the United Nations Value Chain Development approach.

<sup>3</sup> Primary producers in their village or locality market their coffee through their own cooperatives. The number of cooperatives is small.

<sup>4</sup> The encounter between the primary producers and the marketing of their coffee is a key element of the value chain.

<sup>5</sup> The NY

<sup>6</sup> The analysis is specialized to the coffee value chain.



<sup>7</sup> The ICA consisted of a series of agreements beginning in 1962 between a group of exporting and importing countries aimed at maintaining stable and relatively high prices.

<sup>8</sup> Throughout the ICA, exports tended to be channeled through a single state marketing institution in coffee-producing countries.

<sup>9</sup> Quotes are taken from interviews with coffee traders in international trading companies conducted in 2007.

<sup>10</sup> These are largely funded by external donors, and the organizations deliver programs and services aimed at developing the smallholder coffee sector in Tanzania. The projects seek to improve the quality of smallholder coffee and market it externally as speciality coffee.

<sup>11</sup> Consumer prices for inputs and food have risen for a number of reasons in Tanzania. One can associate the price increases with changes in global prices from the mid-2000s to 2013, particularly the increase in the oil price, which has fed into the costs of production (Ghosh [2010](#)). The rise in input prices is also a result of changes to the domestic sale and pricing, with liberalization resulting in fewer subsidized inputs available to producers (Bargawi [2015](#)).



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