

“Coffee Industry and Ethiopian Themed Café”

Harsha Kukreja, Chirag Khandelwal, Sahil Mittal, Shivani Shekar, Ankitha Khorja

Date of Submission: 12-04-2023

Date of Acceptance: 22-04-2023

ABSTRACT

The goal of the current study is to examine how the area, output, productivity, and export value of coffee in India have increased over time. For the years 1990–1991 through 2009–2010, secondary data on area, production, productivity, and its quantity, value, and realized unit value from the export of coffee were gathered. From 1995–1996 through 2009–10, data on India's exports of coffee per nation was compiled from a variety of publications, newsletters, and internet information sources. To determine the growth rate of exported quantity, received value, and realized unit price, the compound growth rate was determined. The first order Markov chain method was used to study the trade directions of exports of commodities. According to the report, area and output increased at annual rates of 2.92 and 2.81%, respectively. Due to the demand for Indian coffee on the global market, the amount shipped from India was expanding at a compound growth rate of 3.80 per year. Due to the rising price of coffee on the worldwide market over time, India's value export climbed at a high growth rate of 8.41% per year throughout the research period. The unit price realized also increased at a rate of 4.45% per year. The volume of coffee exported from India, the export value, and the realized unit price are all increasing at a substantial rate, demonstrating the extensive potential for coffee export to the global market in the coming years.

I. INTRODUCTION

Coffee is one of the world's most popular beverages. Some claim it is the most widely consumed liquid in the world aside from water. Coffee is more than a beverage, however. It is a memory, an anticipation, a lifetime of consoling moments of modest pleasure woven into our lives. Coffee's success as a beverage undoubtedly is owing both to the caffeine it harbors and to its

sensory pleasure. Coffee lovers come to associate the energizing lift of the caffeine with the richness and aroma of the beverage that delivers it. Coffee is produced from the seeds of a small red (sometimes yellow) fruit that grows on plants halfway in size between shrub and tree. The process that turns these seeds into beverage is a long and complex process, perhaps the most complex process associated with any major beverage. It is also a very labor intensive process involving a vast intercontinental collaboration that starts with the coffee grower, moves from there to the picker, then to the mill workers who meticulously remove the fruit and dry the beans, then to those who clean and grade the beans, to those who roast them, to those consumers and baristas who finally grind the beans and prepare the beverage. Every act along the way can be performed either with passion and precision or with careless shoddiness. It is the cumulative quality of all of these creative contributions that together make the difference between a lackluster cup and a fine and distinctive one. Coffee Review is devoted to promoting the fine, distinctive cup and celebrating its lore and pleasures.

II. LITERATURE REVIEW

2.1 Literature Review-Global

Reinecke, J., Manning, S., & Von Hagen, O. (2012). Stated that the growing number of voluntary standards for governing transnational arenas is presenting standards organizations with a problem. While claiming that they are pursuing shared, overarching objectives, at the same time they are promoting their own respective standards that are increasingly similar. By developing the notion of 'standards markets', this paper examines this tension and studies how different social movement and industry-driven standards organizations compete as well as collaborate over governance in transnational arenas. Based on an in-depth case study of sustainability standards in the

global coffee industry, we find that the ongoing co-existence of multiple standards is being promoted by the interplay between two countervailing mechanisms: convergence and differentiation. In conjunction, these mechanisms are enabling the emergence and persistence of a market for standards through what we describe as meta-standardization of sustainable practices. Meta-standardization leads to convergence at the 'rules of the game' level, but allows also differentiation at the attributes level, which is enabling parties to create and maintain their own standards. Our study helps to advance the understanding of transnational governance by explaining the dynamics of competing and collaborating non-state actors in constituting a standards market.

Ponte, S. (2002). Stated Coffee as a truly global commodity and a major foreign exchange earner in many developing countries. The global coffee chain has changed dramatically as a result of deregulation, new consumption patterns, and evolving corporate strategies. From a balanced contest between producing and consuming countries within the politics of international coffee agreements, power relations shifted to the advantage of transnational corporations. A relatively stable institutional environment where proportions of generated income were fairly distributed between producing and consuming countries turned into one that is more informal, unstable, and unequal. Through the lenses of global commodity chain analysis, this paper examines how these transformations affect developing countries and what policy instruments are available to address the emerging imbalances.

Sick, D. (1999). Mentioned the Strategies of Costa Rican coffee-producing households to cope with the complexities of a globalizing world economy are explored, with due attention to contemporary issues of gender, empowerment, and equitable access to resources. Household, regional, and global processes are studied in an integrated framework, using a commodity approach. Comparative research and analysis were carried out at several levels: between 2 rural communities; among households within those communities; between co-operative and private coffee processors; and among coffee-producing nations in Latin America. This approach allows for a better understanding of people's responses to global challenges as mediated by cultural, social, economic, and political factors at household, community, and regional levels. The findings challenge previous assumptions about the nature of

economic change and the sustainability of household producers in the global economy. Household strategies incorporate a mixture of accommodation, resistance, and reshaping of internal and external influences. The ease with which family farmers can adapt to an increasingly globalized economy depends also on national visions of the family farmer and state policies that affect their futures.

Fridell, G. (2014). This paper offers a rethinking of the global coffee crisis from 1998 to 2002. In seeking to account for the crisis, most official international institutions and non-governmental organizations have focused on the dynamics of the coffee market, its volatility and unpredictability, in the wake of the decline of the International Coffee Agreements in 1989. The result has been a dominant consensus around the 'market' as the cause of underdevelopment and its potential solution, with the 'state' receding ever further into the background. As an alternative to this consensus, this paper argues that the state and the market are inseparable and, more specifically, that coffee statecraft, both good and bad, has been and continues to be central to the everyday operations of the coffee industry. Drawing specifically on the role of the Vietnamese state, it argues that coffee statecraft played a key role in the crisis – typically portrayed as primarily market-driven – and proposes greater attention be paid to the geopolitical actions of southern states, the role of the state during times when it seems most benign or invisible, and the centrality of coffee statecraft in steering development outcomes.

Grant, S. G. (2014). Discussed about Vietnam being the largest exporter of Robusta coffee beans in the world, making the industry a pillar of Vietnam's post 1980's market transformation and two-decades of remarkable economic growth. Yet Robusta coffee production is also a primary conduit of risk and uncertainty for the Vietnamese economy generally and acutely so for individual producers, collectors, and traders. Meanwhile, though Vietnamese coffee is starkly visible as a global commodity, it remains invisible in global consumption markets. Through the lens of these contradictions, this dissertation offers an ethnography of the Vietnamese coffee industry, framed as a transnational site of knowledge production constituted through risk, uncertainty, and value. Grounded in twenty-four months of ethnographic research in the central highland's coffee growing region, it offers an analysis of the modes of power through which knowledge about

global industrial commodity markets is accessed and exchanged. The coffee market, I contend, is constituted through both real and imagined, local and global spaces of encounter. As such, I take certification schemes, quality control and auditing procedures, and geographical indexing rights related to branding and trademarks as my key sites of ethnographic engagement. Here the economic logic that guides international and domestic investors commingles with local knowledge, historical experience, and ambiguity, at once defining and redefining the industrial coffee market itself. As Vietnam's remarkable economic growth stagnates, the economic landscape of the market-socialist state reveals the tendencies of local, state, and transnational actors to engage with this market. I explicate how, in the wake of the 2001-02 coffee crisis and as global coffee producers move beyond it, Vietnamese farmers and traders directly engage with the economic logic and language of crisis, though they do so, again, with the label of "culprit" looming ever-present.

Vegro, C. L. R., & de Almeida, L. F. (2020). Said that Coffee stands out in the list of commodities traded in the international and national markets. Many nations have this drink as a mainstay in their economies, with a demand for the product growing in almost every region of the globe. Considering the farms that work in coffee cultivation, those of small size predominate, with a majority allocation of family labor in the management of crop harvesting. A compilation of statistics from 2012 to 2017 shows a more accentuated pace of consumption, especially among younger people, when compared to production, with a consequent shrinkage of total stock. Coffee consumption habits fit perfectly with the contemporary lifestyle, making coffee an essential commodity in the daily life of a considerable part of the world's population. The phenomenon of "climate change," apparently, could negatively affect this crop due to observed greater frequency of so-called climatic extremes.

Samper, L. F., & Quiñones-Ruiz, X. F. (2017) described coffee as one of the world's most traded agricultural commodities, it constitutes a significant part of the overall economy and a major source of foreign revenue for many developing countries. Coffee also touches a large portion of the world's population in the South, where it is mainly produced, and in the North, where it is primarily consumed. As a product frequently purchased by a significant share of worldwide consumers on a daily basis in social occasions, the coffee industry

has earned a high profile that also attracts the interest of non-governmental organizations, governments, multilateral organizations and development specialists and has been an early adopter of Voluntary Sustainability Standards (VSS). Responding to the trend of increased interest on sustainability, it is therefore not surprising that coffee continues to be at the forefront of sustainability initiatives that transcend into other agricultural industries. Based on literature and authors' experiences, this article reflects on the VSS evolution and considers a sustainability model that specifically incorporates producers' local realities and deals with the complex scenario of sustainability challenges in producing regions. Agreeing on a joint sustainability approach with farmers' effective involvement is necessary so that the industry as a whole (up and downstream value chain actors) can legitimately communicate its own sustainability priorities. This top-down/bottom-up approach could also lead to origin-based, actionable and focused sustainability key performance indicators, relevant for producers and consistent with the UN's Sustainable Development Goals. The initiative also aims to provide a sustainability platform for single origin coffees and Geographical Indications (GIs) in accordance with growers' own realities and regions, providing the credibility that consumers now expect from sustainability initiatives, additional differentiation options for origin coffees and economic upgrade opportunities for farmers.

2.2 Literature Review-Domestic

Nayani, Surya Prakash & Devasia, Jeena & Jayarama, & Aggarwal, Ramesh. (2015) referred to Coffee as "brown gold," and one of the important agricultural commodities grown in India. From a modest start during the eighteenth century by British entrepreneurs, coffee cultivation has gradually transformed into a sustainable plantation industry. The country's share in global production is 4.5%, whereas its share in exports is 5%, with export earnings of US\$973 million in 2011–12. The domestic consumption increased to more than 1 lakh Tonnes (0.1 million metric Tonnes), with an annual average growth rate 5–6%. Viewed as an ideal blend of art and science, coffee cultivation in India is unique with eco-friendly human activity, from shade-grown cultivation to selective hand-picking of berries and systematic on-farm processing with natural sun-drying practices. Indian coffees are appreciated worldwide for their distinctive quality. The Coffee Board of India is the nodal agency for research and development support to the industry, in the form of genetically superior

planting materials, improved production, and processing technologies.

SasubilliParadesi Naidu (2018) The coffee industry of India is the sixth largest producer of coffee in the world, accounting for over four percent of world coffee production, with the bulk of all production taking place in its Southern states. It is believed that coffee has been cultivated in India longer than anywhere outside of the Arabian Peninsula. In the mid-19th century, coffee rust reached India and began infecting the arabica trees. By 1869, the rust had become an epidemic. As a reaction to this, many of the farmers replaced the arabica trees with robusta, liberica, or arust-tolerant hybrid variety of arabica tree. These more resistant trees are still commonly grown in India. There are over 1, 71,000 coffee farms in India, cultivating nearly 900,000 acres of coffee trees. Most coffee production in India is on small farms, with over 90 percent of all farms consisting of 10 acres or fewer. However, such farms account for just over half of all land used for coffee production and a minority of all coffee produced. Most coffee in India is grown in three states: Karnataka, Kerala, and Tamilnadu. These states accounted for over 92 percent of India's coffee production in the 2011-2012 growing season. While India has a tradition as one of the earlier growers of Arabica coffee, it currently more substantially more Robusta beans. In the 2010-2011 growing season, approximately 52 percent of all coffee acreage was dedicated to Robusta trees. However due to the higher yields of this tree, Robusta accounted for 64 percent of all coffee produced in India.

Lakshmi, V. (2005). This paper starts with the origins of coffee in India, followed by a brief account about the Coffee Board, its evolution and current activities. The paper then presents relevant facts about the Indian coffee industry and the current status of the country's coffee research. It then discusses the global coffee crisis, and the challenges it has thrown up for producing countries such as India. The paper concludes by highlighting India's response to these challenges.

Semangoen, H. (1970). Discussed about various aspects of the coffee industry in India are discussed, including cultivation methods, processing and marketing. The Coffee Board plays a most important role in the whole area of the Indian coffee industry. Internal as well as external trade is entirely controlled by the Board. This control extends also to activities such as production, research, extension and credit.

Kumareswaran, T., Singh, H. P., Kamalvanshi, V., Sharma, A., & Kumar, D. (2019) said Coffee is most predominantly export oriented commodity, more than 65 per cent. Coffee industry earns a foreign exchange to the tune of about Rs.4000 crores. The area under coffee plantations in India has increased by more than three times, from 120321 hectares in 1960-61 to 397147 hectares in 2015-16. The paper attempts to quantify the changing structure of Indian coffee exports. Data for analysis was taken for a period of 30 years from 1985 to 2015. Compound Annual Growth Rate (CAGR) was used for analysing the growth in coffee area, production, yield, export quantity and export value over the years. CGAR concept was used for the estimation trends in growth and EPR was used to estimate the comparative advantage of the commodity. The study revealed that the growth rate in the area, production and yield, export quantity, export value of coffee was showed that 2.4 per cent, 3 per cent, 0.6 per cent, 3.2 per cent, and 4.2 per cent respectively. The result showing that coffee had a stable and positive fluctuation trend in the export performance ratio.

Ashoka, N., Naik, B. K., & Kulkarni, V. S. (2013), this paper attempts to estimate trends in area, production and productivity of Arabica and Robusta coffee for the period of 1995-96 to 2011-12. The analysis is based on data for past 17 years. The entire analysis was done separately for all coffee growing states for the study. The trend in growth analysis reveals that the trend in area, production and productivity over the years were positive in first and third period and while in the second period, was shown negative as indicated by the cubic equation. The study also noticed that the trend of Robusta with respect to area and production surpassed Arabica at national level. Further, as the crop was introduced in the last decades in to non-traditional areas in a bigger way, the instability with respect to both Arabica and Robusta was very high and hence, affecting on stability at national figures. The main sources of instability in coffee production (Arabica and Robusta) were found to be changed in area variance and changed in yield variance.

Malladi, P., & Indira, M. (2015) mentioned, the increasing economic integration of Indian economy with the global process has brought significant challenges and changes at the door of the agriculture sector. Within the agriculture, plantation crops are an important segment of export-oriented crops. Coffee occupies a place of pride in plantation sector. Coffee is an

important commodity and a popular beverage. The liberalized coffee market gave an opportunity for the coffee growers to sell their produce in both domestic and international market thus India stands fifth in global production and occupies seventh place in exporting coffee to global market, coffee adds-up its share in National income from export section., coffee exports are not only a vital contributor to foreign exchange earnings but also account for a significant proportion of tax income and gross domestic product. Hence an attempt is made to study trends in coffee export. The objective of the paper is to study whether coffee production is paving the way for huge coffee export from India to the international market. The analysis is based on secondary data collected from the publications of Coffee Board of India, Ministry of Commerce and journals. Unit root test is used to test the stationary and Pair wise Granger Causality test is used to check the relationship between coffee production and coffee export in India. The result showed that there is no granger cause between production and export.

1. Research Methodology

General Category

- Quantitative research

Nature of Study

- Descriptive Research

Purpose of Study

- Applied Research

Research Design

- Exploratory Research

Data Type

- Primary Data

2. Research Gap

While out-of-home consumption now accounts for the majority of growth, the category has the potential to see an increase in consumption at home. However, geographical penetration appears to be a significant barrier; coffee's geographical penetration is primarily limited to the urban population in Metros, Tier I, and Tier II cities, with the exception of southern India. The fact that 70 percent of our population lives in rural areas is not far from the truth, and because coffee is an acquired taste, the sector has a long way to go. Brands selling packaged goods are attempting to break into these sectors with smaller CPGs such as sachets.

The other important and obvious difficulty is that we are a traditionally tea-drinking country where coffee has failed to gain traction in the average family. It is necessary to change one's habits. While patterns change, marketers must seek beyond product innovation to establish a relationship with customers in order to establish a habit. For a bigger consumer category, brand resonance is required.

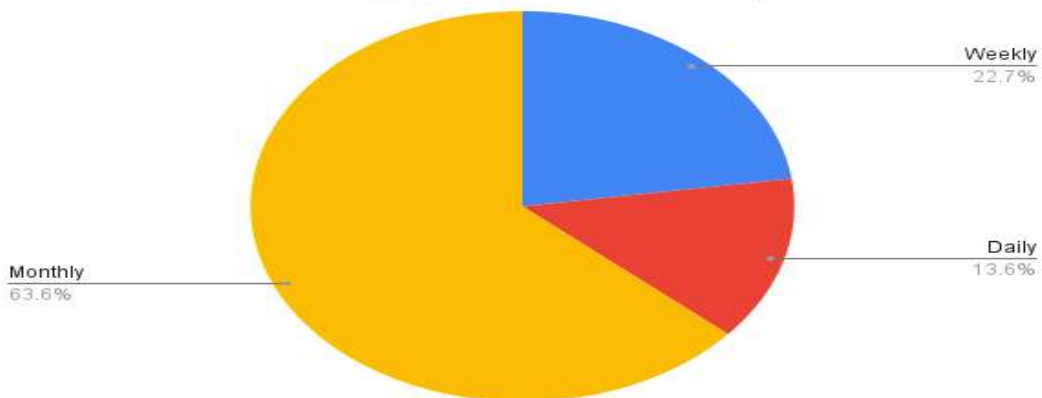
Rural India is gradually changing in every way. They aren't afraid to explore new things, whether it's online buying or digital banking. We will witness exponential rise in the overall consumption of coffee in India if companies can establish a relationship with rural India. It will be a tough road for the sector, and it will take time, but the brands will undoubtedly crack the rural code.

III. DATA INTERPRETATION

Q1. How often do you frequent coffee shops?

Chart showing how often people visit coffee shops

Count of How often do you frequent coffee shops?

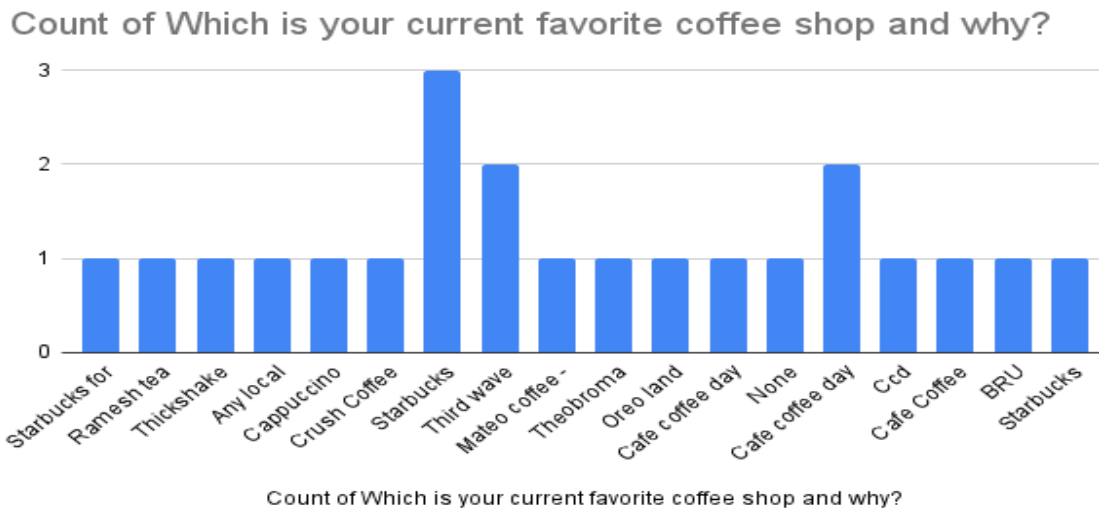


Source primary data

Analysis: In the sample size of 23, 22.7% people said they visit a coffee shop weekly, 13.6% people said they visit a coffee shop daily and 63.6% said the visit a coffee shop monthly.

Q2) which is your current favorite coffee shop and why?

Chart showing current favorite coffee shop

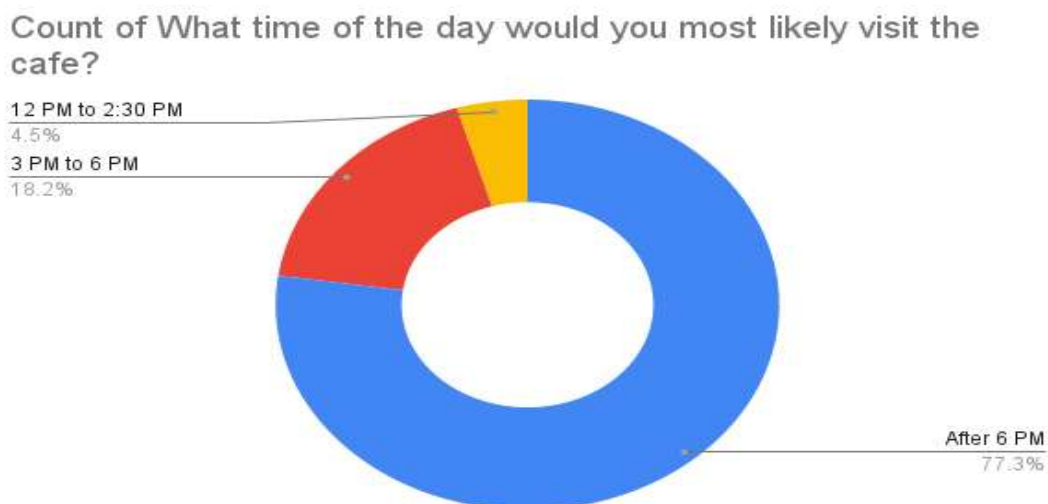


Source primary data

Analysis: In the sample size of 23, 5 people opted for Starbucks, 5 people opted for café coffee day, 2 opted for third wave coffee, 1 opted for crush coffee, 1 opted for any local shop, 1 opted for thick shake, 1 opted for Mateo coffee, 1 opted for Ramesh tea stall, 1 opted for theobroma and 1 opted for Oreo land

Q3 What time of the day would you most likely visit the cafe?

Chart showing time of day to visit a coffee shop



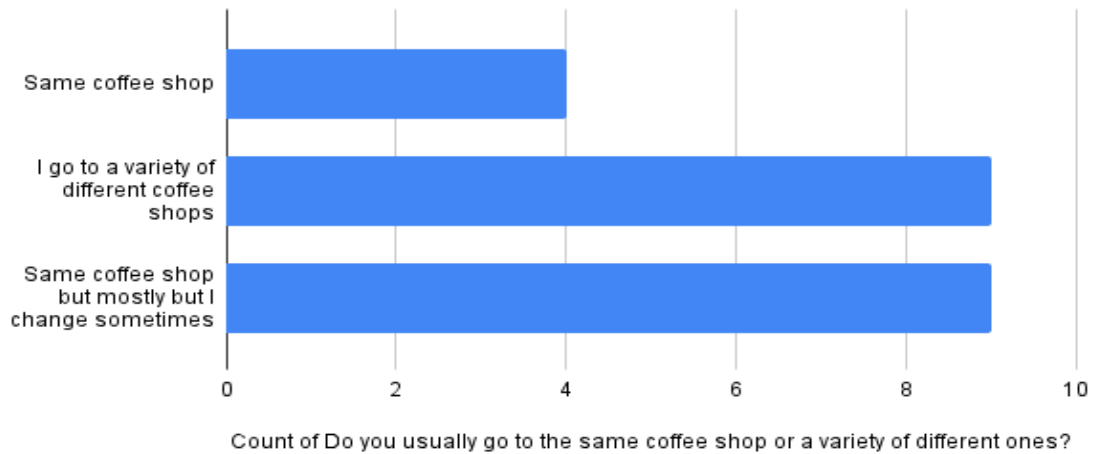
Source primary data

Analysis: In sample size of 23, 4.5% people visit from 12pm-2:30pm, 18.2% people visit from 3pm-6pm and 77.3% people visit after 6pm.

Q4 Do you usually go to the same coffee shop or a variety of different ones?

Chart showing people visiting same or different coffee shop

Count of Do you usually go to the same coffee shop or a variety of different ones?



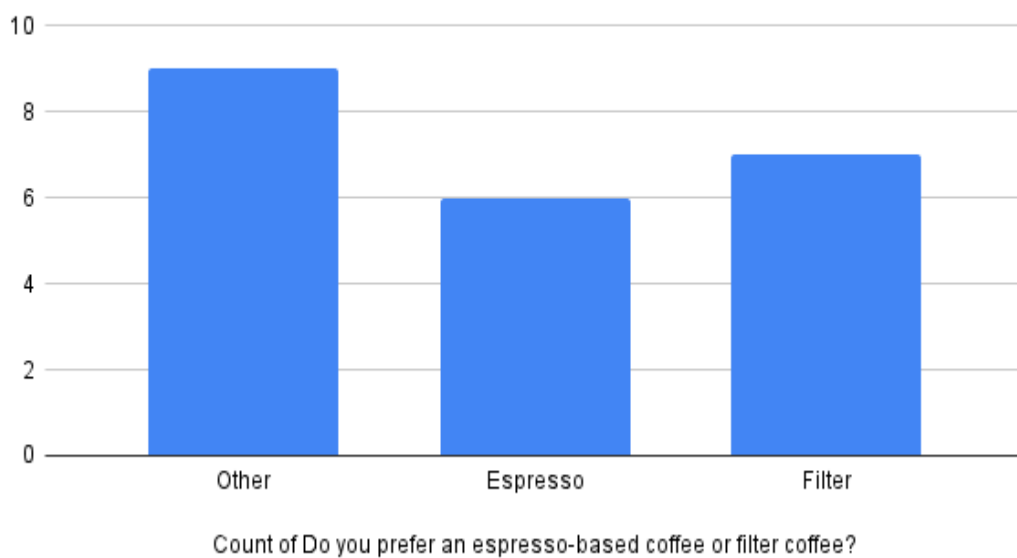
Source primary data

Analysis: In sample size of 23, 18.2% prefer same coffee shop, 40.9% prefer going to a variety of different coffee shops and 40.9% prefer the same coffee shop but change sometimes.

Q5 Do you prefer an espresso-based coffee or filter coffee?

Chart showing types of coffee

Count of Do you prefer an espresso-based coffee or filter coffee?

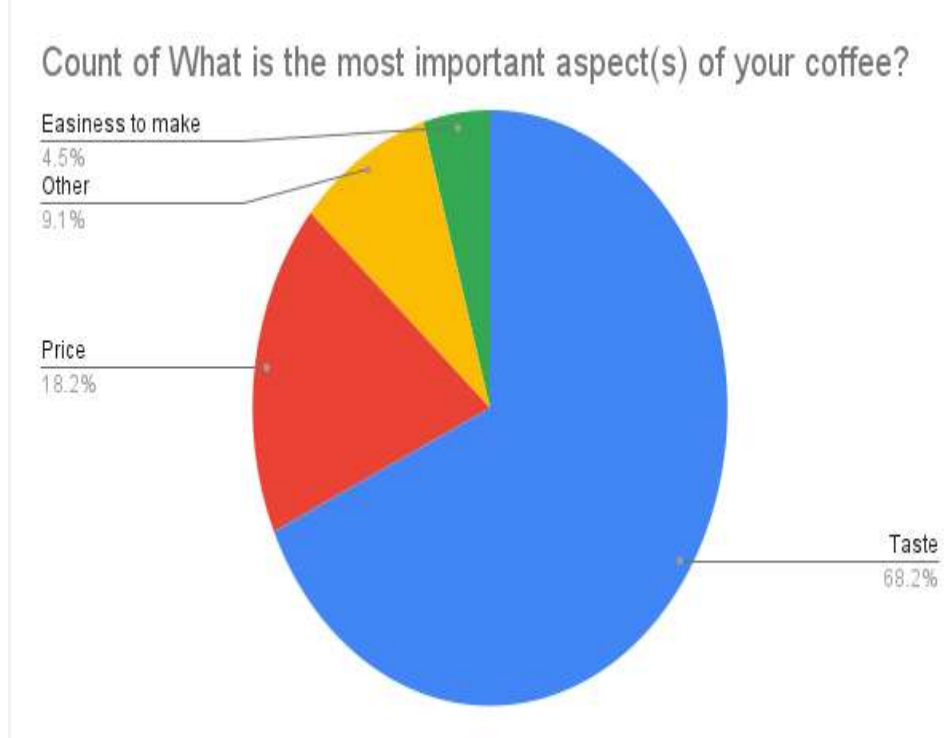


Source primary data

Analysis: In sample size of 23, 31.8% prefer filter coffee, 27.3% prefer espresso and 40.9% prefer other.

Q6 what is the most important aspect(s) of your coffee?

Chart showing peoples important aspect of coffee

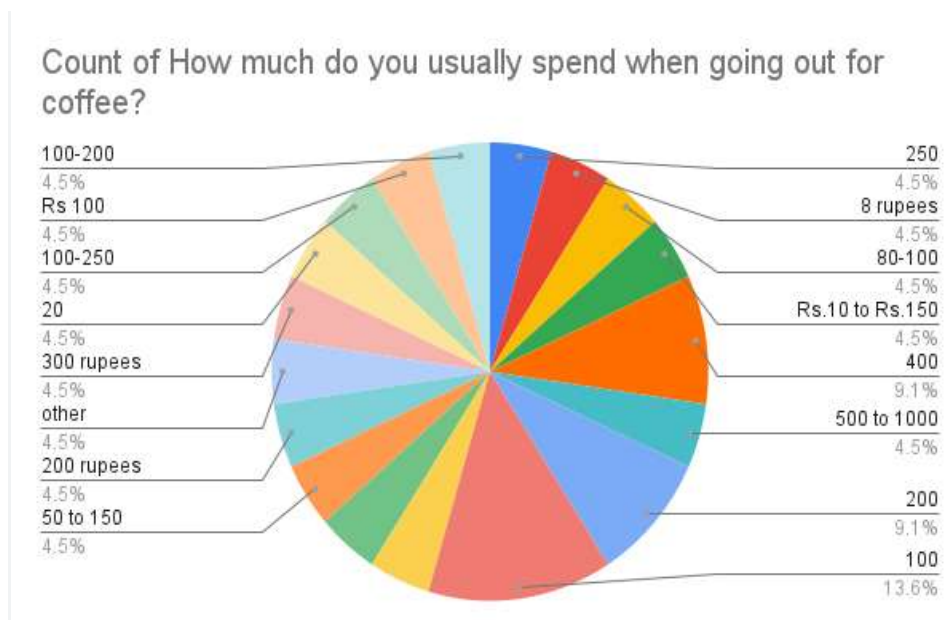


Source primary data

Analysis: In sample size of 23, 4.5% prefer easiness to make, 18.2% prefer price, 68.2% prefer taste and 9.1% prefer other.

Q7 how much do you usually spend when going out for coffee?

Chart showing how much people spend on coffee

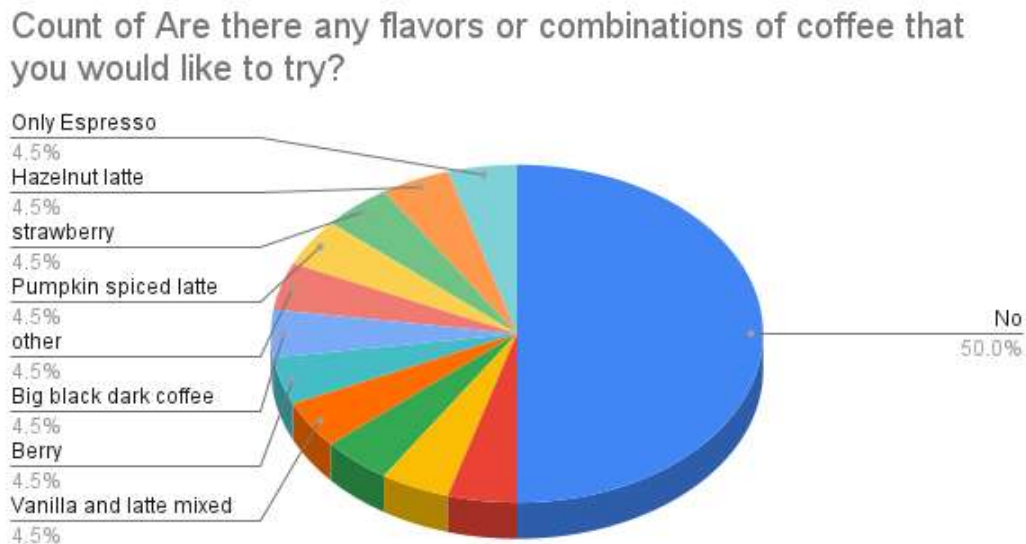


Source primary data

Analysis: various people have various price ranges to pay when they go out for coffee as shown in the chart above.

Q8 Are there any flavors or combinations of coffee that you would like to try?

Chart showing different combinations of coffee



Source primary data

Analysis: In sample size of 23, 4.5% choose espresso, 4.5% choose hazelnut latte, 4.5% choose strawberry, 4.5% choose pumpkin spiced latte, 4.5% choose big black dark coffee, 4.5% choose vanilla and latte mixed, 4.5% choose berry and 50.0% choose no combination.

Q9 what do you typically order to drink?

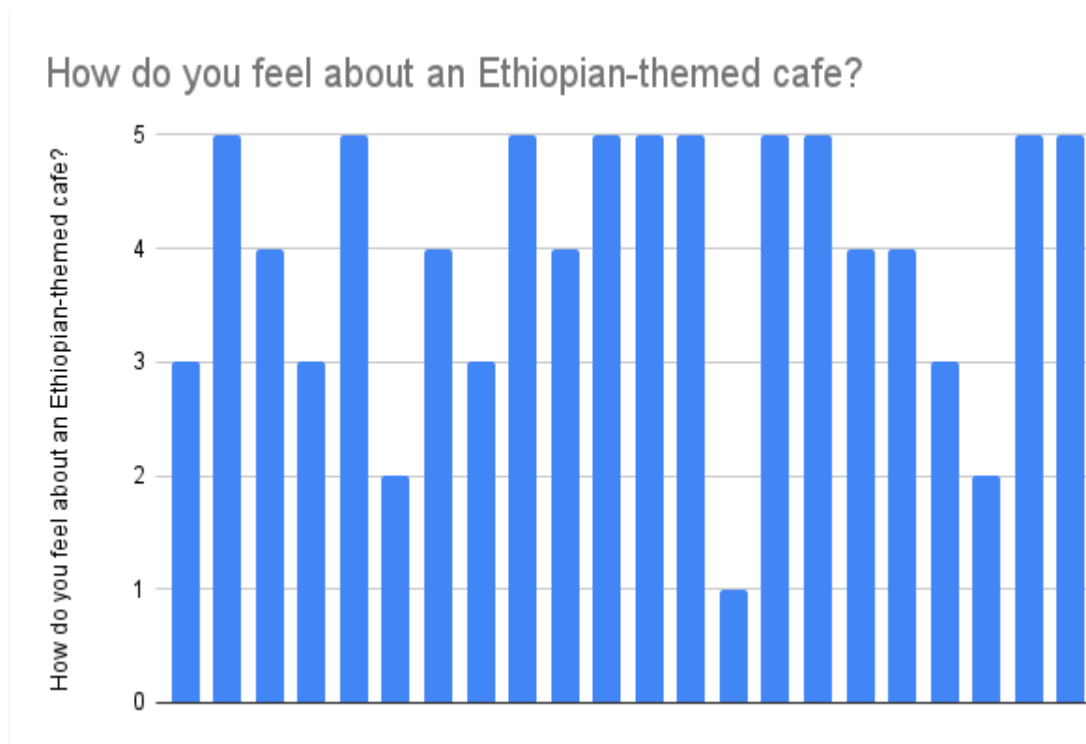
Chart showing what people order



Source primary data

Analysis: Various people have varied order preference as shown in the above chart

Q10 how do you feel about an Ethiopian-themed cafe?
 Chart showing how people felt about an Ethiopian themed café



Source primary data

Analysis: In the sample size 23, majority of people are excited about the Ethiopian themed café as shown in the above chart

IV. CONCLUSION

Coffee's popularity is no secret, but the appeal of marketing coffee products for business may be overlooked. Consumers get their coffee on the go, at food trucks, restaurants, coffee shops, and supermarkets, and proprietary coffee shops do exceptionally well. Bottled coffee beverages are becoming more diverse and popular. Coffee provides marketing opportunities unlike any other product if you want to sell a great, sustainable product. While Covid-19 and climate change have caused some coffee industry experts to predict doom and gloom for the coming years, changing consumer habits and growing interest in the product present new opportunities for businesses all the way up and down the supply chain. Those who can capitalize on new coffee technologies and form partnerships with key third parties will be able to pivot around whatever happens next in the global coffee market - good or bad - and benefit from the coffee industry's predicted continued growth.

Coffee is only consumed by 18-20% of Indians, and tea continues to dominate the mass palate. However, these figures indicate a significant growth potential for the coffee industry and cafes in our country. As the world's sixth largest coffee producer, our per cup costs are still less than 15% of the ingredient cost on the sale price, and a good barista still earns no more than \$250 USD or 18000/- in a café. Every good specialty coffee in the next ten years will roast its own coffee inside the café using micro roasting technology because it allows the café to create his own secret blends and offer rich aroma of coffee every time he roasts a cup.

Consumers' drinking habits are also being influenced by vending machines installed in most corporate offices and a variety of good instant coffees available, which helps in offering a caffeinated cup to first-time drinkers who gradually elevate themselves to a good cappuccino or American in due course. The café culture is being strengthened further by the coworking office culture, as most enterprising ventures are born over a cup of coffee, and India's status as a hotbed for new startups is aided by strong coffee cultures in

cities such as Bengaluru, Hyderabad, Mumbai, and Delhi.

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