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Book Review

The Economics of Coffee, Economics of crops in developing countries No. 1. J. de Graaff, Pudoc, Wageningen, The Netherlands, 1986. Pp. xix + 294. US\$36.

This book is the first publication in a series of monographs on the economics of tropical and sub-tropical agriculture, planned by the Department of Development Economics of the Agricultural University in Wageningen. The present title's objectives are to provide an economic perspective on coffee in terms of production, processing and trade.

The book is essentially a timely review of the economics of coffee. The author uses a broad brush approach with sources of information coming from various international publications. They include USDA and FAO publications as well as information from local statistics supplemented by field studies. This book is well written and contains many useful, concise tables and flow diagrams. Maps are also used to show the eight principal countries covered in the book. Separate maps are provided to show the principal coffee growing areas within those countries.

The book is in two parts. A general introduction provides the reader with an interesting perspective on the origin of coffee and gives technical details about the botany of the plant through to the final marketing of the product. Consumption patterns and preferences are discussed and research work and trade practices are established. After reading this chapter one has a broad overview of the industry.

The second chapter of Part 1 provides a comparative analysis of coffee in eight principal coffee producing countries in Latin America, Africa and Asia. The commodity is followed through from its historical development and ecology to export and domestic consumption. The analysis includes chapters on production systems, marketing aspects, and pricing and taxation policies.

The second part of the monograph consists of eight chapters. It provides a more detailed economic overview of the coffee industry in the eight selected countries. The chapters follow a standard outline including chapters on the history and ecology of coffee in each country. The chapters also provide a perspective of coffee in relation to other crops, especially those that compete with coffee in terms of available resources.

The most interesting chapter for the Australian reader is perhaps the comparative analysis. This chapter makes good reading for those planners and policy makers in Australia still fostering ideas of establishing a national coffee industry. Brazil is probably the country that bears closest resemblance to Australia, in that it also has a low population density. It has the highest production per man and the highest level of mechanisation. In Brazil it takes half a man year to provide one tonne of coffee, which had an export value in 1982 of US\$2,740. With establishment costs of US\$900 per hectare and production and marketing costs of US\$1,299 per hectare in 1982, and yields fluctuating between 600 and 800kg per hectare, the return to labour is very low by Australian standards.

The comparative analysis provides useful comparisons between establishment costs, labour inputs and other economic criteria in the eight countries described. The chapter remains, however, essentially a summary of economic statistics. It does not provide a rigorous economic analysis establishing, for instance, bottlenecks in terms of processing and marketing or institutional limitations in the countries studied, let alone make suggestions on how to overcome them. It is also outside the scope of this book to establish a set of criteria or guidelines that potential coffee producing countries must heed to establish a successful coffee industry.

Unfortunately, the book does not have an index and unless a topic is listed under a heading, quick reference to a topic is difficult. Occasionally, the method of referencing used lacked definition and was incorrect on at least one occasion. In spite of these minor reservations, the book is highly recommended and should be compulsory acquisition for libraries and organisations in coffee producing countries and processing or importing countries. I would also recommend it for the libraries of the Departments of Agriculture in those states of Australia climatically suited to coffee.

D. L. GODYN
*New South Wales Department of Agriculture,
Wagga Wagga.*