Regulating Buyer Power: Government Intervention in Jamaica's Coffee Sector

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ABSTRACT,
This study explores how government intervention can rebalance power relations in Jamaica's coffee sector. Despite the premium status and high export value associated with Jamaican Blue Mountain coffee, smallholder farmers remain marginalised in global supply chains. Multinational buyers and regulatory bodies dominate the market, leaving producers with little influence over pricing or access to value-adding stages of the value chain. Using Emerson (1962) Power Dependency Theory, the study explores how dependency arises from high motivational investment and a lack of alternatives. Based on six interviews with smallholder farmers, exporters, and NGO members, the study shows how institutional barriers reinforce power imbalances in the global value chain. Although there are support activities for farmers, they remain limited and inconsistent. The results of this study suggest that buyer-driven supplier development is ineffective in places with extreme power imbalances. The state can act as a non-traditional actor by enforcing minimum price policies and lowering entry barriers. However, institutional reform is crucial to make these changes effective. This study makes an academic contribution to the literature on supplier development by broadening the focus beyond firm-driven initiatives and adds to the field of Purchasing and Supply Management by framing buyer power as a core structural issue within global agri-food value chains. The study concludes that buyer power can be regulated if institutional structures are reformed to prioritise transparency, inclusivity, and producer autonomy.

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Keywords
Power Dependency Theory, buyer power, supplier development, minimum price, Jamaica, smallholder farmers.

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1. INTRODUCTION

Jamaica is known for its high-quality coffee, especially in the Blue Mountain (BM) region. This is where the coffee is cultivated at higher elevations and the berries take longer to mature, resulting in a more delicately flavoured beverage than those grown at lower elevations (Mighty & Granco, 2021, p. 3). In Jamaica, Typica is a dominant cultivar (Guido et al., 2020). The unique flavour profile of Typica has led international markets, especially in Japan, to associate the BM coffee brand with it (Guido et al., 2020). Because of its region's reputation for producing high-quality cherries and niche marketing, Blue Mountain coffee commands some of the highest farmgate prices globally (Guido et al., 2020, p. 3). Traders in the Japanese market, for instance, where BM coffee is highly priced, paid the farm-gate equivalent of $5.80 per pound for green beans in 2016, more than five times the price of coffees from other origins (World Bank, 2018, p. 1).

The Jamaican government created the Coffee Industry Board (CIB) in 1950 under the Coffee Industry Regulation Act to revitalise the sector and protect the premium coffee brand (Thomas, 1964). The establishment of the Coffee Industry Board in 1950 marked a shift towards strong, centralised regulation in Jamaica's coffee sector. This move was partially a response to fluctuating growing conditions and a lack of standardised quality, which threatened the reputation of Jamaican coffee abroad (Willis & Johnson, 2020). The Board exercised control over all stages of the value chain, including growing, processing, and exporting (Thomas, 1964, p. 199). The CIB owned and operated all coffee processing infrastructure, including facilities for pulping, drying, and hulling. It also held a monopoly as the sole buyer of ripe coffee cherries (Willis & Johnson, 2020). The establishment of CIB, eventually contributed to production recovery, and exports resumed, initially to Great Britain and then almost exclusively to Japan (Guido et al., 2020, p. 3). Despite mechanisms such as price stabilisation and sector-specific investment being introduced, the Board also enforced licensing rules that excluded many smallholders from full participation. Consequently, the CIB simultaneously reinforced structural power imbalances.

The International Monetary Fund (IMF) has played a significant role in shaping the political economy of Jamaica's agricultural sector. In the late 1970s and early 1980s, Jamaica experienced a severe debt crisis characterised by fiscal deficits, high unemployment and declining export revenues. In response, the Jamaican government accepted International Monetary Fund loans that were conditional upon structural adjustment reforms (Guido et al., 2020). These reforms focused on reducing public expenditure, restricting public wages, and prioritising debt repayment (Johnston, 2012).

In the coffee sector, this led to the dismantling of state regulatory institutions, including the Coffee Industry Board's three-decade monopoly as the only buyer and exporter of Jamaican coffee, which ended in 1983 (Guido et al., 2020; Willis & Johnson, 2020). This deregulation enabled private actors to dominate the market. Private actors were able to obtain licences to purchase raw coffee beans directly from farmers, run processing operations, and develop export channels (Willis & Johnson, 2020, p. 6). As a result, the market power shifted towards a small group of powerful exporters, while smallholder farmers became exposed to price volatility and had little influence over trade negotiations (Grabs & Ponte, 2019).

Jamaica formally left the IMF borrowing arrangement in 2019. However, it remains under a Post-Programme Monitoring framework. The IMF continues to assess the country's fiscal and economic performance, with a strong focus on public debt reduction and expenditure control (International Monetary Fund, 2024). These financial limitations make it politically and economically difficult to reintroduce price regulation or subsidy schemes even when such interventions could rebalance buyer-supplier power asymmetries.

Large private processing firms were able to enter the market because of this policy change, increasing farm-gate price volatility and reducing the profit margins of smallholder farmers. Producers were further marginalised within the value chain and exposed to market swings as these private actors consolidated their control over pricing and export routes. Although deregulation was intended to liberalise trade and stimulate growth, it instead entrenched the dominance of powerful private actors and further weakened the position of producers.

Despite the premium status and the high prices associated with Jamaican Blue Mountain coffee, smallholder farmers remain marginalised in global supply chains. Their weak position is not only the result of the country's regulatory barriers, but also because of the dominance of international buyers. These multinational importers control pricing, dictate quality standards, and determine market access, while relying heavily on smallholder coffee farmers as the primary source of green coffee beans (Birthwright, 2023).

Jamaica is not the only place with this pattern. Lead firms use explicit coordination mechanisms to directly control suppliers in global value chains. This creates power asymmetries, in which buyers remain structurally dependent on dominant buyers' terms (Gereffi et al., 2005). Buyer power is a major concern in the field of purchasing and supply management (PSM), as it limits the possibility of collaborative supplier development (Brito & Miguel, 2017).

While much attention is given to improving producer capabilities, effective supplier development also requires the regulation of buyer power. This study examines how government intervention can address the power imbalances in this sector, not only by empowering farmers but by altering the structural conditions under which buyers operate. Smallholder farmers are often excluded from decision-making processes, while large exporters and regulatory bodies determine, behind closed doors, who gains access to international markets (Birthwright, 2023).

The regulatory authorities further reinforce these imbalances. The Jamaica Agricultural Commodities Regulatory Authority (JACRA) replaced the CIB in 2018 with the intention to modernise governance. However, the system has retained policies that marginalise smallholders. For instance, processors must produce at least 6,000 boxes of coffee per year and pay a JM$ 200,000 (roughly US$ 1,475) licence fee. Most independent farmers are unable to meet these requirements, thereby keeping them out of the more desired supply chain segments (Guido et al., 2020, p. 10; Willis & Johnson, 2020). In addition, efforts by the Jamaica Coffee Growers' Association (JCGA) to promote cooperative action have had limited impact. The JCGA aimed to enable farmers to retain a larger portion of the export price through value-added processing. But as of now, only 9% of farmers reported interaction with the association (Guido et al., 2020, p. 10). Additionally, institutions like JACRA exercise visible power by setting formal rules: determining who can grow what type of coffee, under what conditions, and at what price. Although these standards are intended to ensure quality, they often work to the advantage of large international buyers. Small farmers must meet strict requirements, yet see little financial benefit in return (Birthwright, 2023).

2. RESEARCH QUESTION

Given the dominance of the multinational buyers and the regulatory barriers that limit smallholder participation, this study explores how government intervention can rebalance power relations in Jamaica's coffee sector.

The central **Research question**: How can government intervention, such as minimum price policies, regulate buyer power in Jamaica's coffee sector through the lens of Power Dependence Theory?

The objective of this research is to explore how supportive policies can strengthen the position of smallholder producers, while reducing the power of international importers. Minimum price policy can help farmers by providing a predictable income in volatile markets. By offering predictable returns, such policies may influence farmers' production choices, market participation, and investment behaviour. A minimum price can have a positive effect on producers of coffee.

According to Emerson's Power Dependence Theory (1962), power imbalances arise when one party becomes dependent on another for critical resources, particularly when there are no viable alternatives. In the Jamaican coffee sector, smallholder producers are highly dependent on multinational buyers for access to markets and income, while buyers have more sourcing options. This asymmetry gives buyers substantial control over pricing, contract terms, and quality demands.

Government interventions, such as a guaranteed minimum selling price, may help shift this imbalance by reducing farmers' motivational investment in a single buyer. With stable and predictable income, farmers are less desperate to accept unfavourable conditions. In PDT terms, this reduces their dependence. Additionally, if such pricing policies are paired with cooperative support or direct trade access, the availability of alternatives increases, further shifting the power dynamic in favour of producers.

In short, interventions that stabilise income and diversify market access directly target the two core elements of dependency in PDT. They not only make producers less vulnerable and more powerful in negotiations but also reduce the structural buyer power that dominates the Jamaican coffee sector.

3. POSITION WITHIN SUPPLIER DEVELOPMENT

This study contributes to the field of supplier development by exploring how institutional support from the state can create the structural conditions necessary for equitable supplier upgrading. In traditional supplier development contexts, it is the purchasing company that drives supplier development by investing in improving the supplier's performance (Krause et al., 1998). These efforts not only benefit the supplier but also enhance buyer outcomes (Krause et al., 2007). However, these situations require a minimum level of power balance and mutual willingness to collaborate between the buyer and the supplier (Wagner, 2011). Conditions that are largely absent in the Jamaican coffee sector.

Multinational buyers hold both market and regulatory power. In contrast, smallholder farmers have limited bargaining power, few alternatives and constrained access to markets. These asymmetries undermine the feasibility of traditional firm-led supplier development (Birthwright, 2023; Grabs & Ponte, 2019). This study reconceptualises supplier development as a process enabled by the state as a non-traditional actor to address these constraints. According to De Marchi and Alford (2022), the state can have a central role in actively mediating power asymmetries between powerful buyers and suppliers. In contexts with unbalanced buyer-supplier relationships, supplier development cannot rely on voluntary initiatives from buyers, but requires regulatory and policy interventions that reduce the power of dominant buyers over suppliers.

4. ACADEMIC CONTRIBUTION

The study makes an academic contribution to the literature of supplier development by broadening the focus beyond firm-driven initiatives. It incorporates the perspectives of various stakeholders from the Jamaican coffee sector and examines how a minimum price mechanism can support the reduction of coffee suppliers' dependency. The study integrates Emerson (1962) Power Dependence Theory to demonstrate that structural dependencies must be addressed to develop suppliers effectively.

In addition, this study contributes to the field of Purchasing and Supply Management by framing buyer power as a core structural issue within global agri-food value chains (Lang et al., 2023). Traditional supplier development relies on voluntary, collaborative relationships between the buyer and supplier, requiring a minimum level of power balance (Krause et al., 1998; Wagner, 2011). This is impossible in contexts with extreme power asymmetry, such as in Jamaica's coffee sector. The state is positioned as a non-traditional actor that is able to reduce buyer dominance in the global value chain. The findings of this research offer practical insights for policymakers seeking to promote equitable trading conditions and supply chain stability in unequal markets.

5. THEORETICAL BACKGROUND

The Jamaican coffee sector illustrates a broader pattern of power asymmetries in global agri-food value chains. In buyer-driven structures, large firms exert considerable influence and capture a substantial share of value, often at the expense of smallholder producers (Grabs & Ponte, 2019; Willis & Johnson, 2020). This study adopts Emerson's Power Dependency Theory (1962), which provides a framework for understanding how power imbalances emerge and persist in social and economic relationships.

Power is created by dependency: actor A is dependent on actor B to the extent that B controls resources that A values and cannot receive from somewhere else (Emerson, 1962). In the context of the coffee sector, it means that the buyer's power over the farmer depends on the farmer's reliance on the buyer for income. Simultaneously, a coffee farmer's power over a buyer depends on the buyer's need for coffee beans (Emerson, 1962, pp. 31-32). Power is unbalanced when one actor is more dependent than the other.

According to Emerson (1962), dependency is determined by two factors, which are the motivational investment and the availability of alternatives. The motivational investment is determined by how much A values the resource B controls. For instance, the farmer's reliance on income from coffee sales. The availability of alternatives is determined by whether A can obtain the same resources elsewhere. In the case of the coffee market, it could be explained by the farmers' lack of alternative buyers (Emerson, 1962, p. 32).

In Jamaica, the dependency of farmers on large buyers is worsened by the regulatory barriers and the limited availability of alternative buyers. This results in buyers having dominant power in price-setting, quality demand, and contract terms. A structural advantage that gives multinational buyers disproportionate control over trade outcomes in Jamaica, because of smallholders' restricted access to alternative markets and strict regulatory requirements.

6. MINIMUM PRICE AND SUBSIDIES

Chintapalli and Tang (2021) compared two widely used policy tools: minimum support price (MSP) schemes and input subsidies. Their findings indicate that MSPs are more effective in ensuring farmers' income and overall well-being. MSPs provide a price floor, which serves as a buffer for producers against market fluctuations. In contrast, input subsidies such as fertiliser or equipment rebates can reduce production costs but do not directly reduce price risks or buyer power. Additionally, poorly designed subsidies can reduce farmer welfare by creating dependence or distorting resource allocation.

In the Jamaican context, where powerful multinational buyers dominate and small farmers lack bargaining power, MSPs provide a more direct way of improving bargaining power. By ensuring a minimum income, farmers become less dependent on accepting unfavourable prices or conditions to remain economically viable. That is a direct application of Power Dependence Theory: decreased dependency alters the balance of power.

However, MSP policies do come with fiscal implications. Chintapalli and Tang (2021) note that MSPs require far more expenditure by the government. This makes them harder to implement in low-budget settings. As a solution, the authors suggest a hybrid approach by employing cost subsidies in cases where the budget is limited but move to MSPs once the investment can be afforded.

The International Monetary Fund takes a balanced view (Amaglobeli et al., 2024). It recognises that agricultural subsidies, including MSPs, are tools for improving price stabilisation and rural development. But they also highlight major risks. For instance, weak institutional capacity can cause delayed transmission of support. Additionally, badly designed subsidies can cause market price distortions, stimulating production in inefficient places and damaging longer-term competitiveness. These side effects can cause misallocation of resources and decrease the efficiency of the agricultural sector.

While MSPs and subsidies can potentially rebalance power relationships and benefit smallholder producers, their effectiveness is highly context-specific, with design quality and institutional capacity being essential factors. If poorly executed, these tools risk becoming politically attractive but economically ineffective solutions. By stabilising symptoms without addressing the underlying structure of buyer power (Amaglobeli et al., 2024).

7. METHODOLOGY

7.1.1 Research design

This research adopts a qualitative case study design to explore how buyer power affects smallholder coffee farmers in Jamaica and what role the state has in influencing the market. The study is guided by Emerson (1962) Power Dependence Theory, which focuses on power imbalances. A qualitative approach is appropriate given the study's focus on understanding complex social dynamics, institutional structures, and actor perceptions.

Data were collected through semi-structured interviews with stakeholders in the coffee sector in Jamaica. The interviews were conducted in a semi-structured form, meaning that there was a set of guiding themes and open-ended questions, but not structured in a strict order. This created more flexibility for follow-up questions to dive deeper into the participants answers. The order of the questions could be changed based on how the interview went. Examples of relevant questions asked during the interview are:

- How would you describe your level of dependency on buyers?
- Are you able to set or influence the price of your coffee?
- Have you received support from JACRA or any Jamaican government programmes (training, subsidies, certification assistance)?
- In your experience, are government policies aligned with the needs of smallholder farmers?
- Do you believe smallholder farmers have a voice in policy or market decisions?
- Who do you feel holds the most power in the Jamaican coffee value chain, and why?

All interviews were conducted digitally via Zoom or WhatsApp and were recorded with the respondents' consent. Recordings were used to facilitate accurate data transcription and coding.

7.1.2 Data collection

Data were collected through semi-structured interviews based on an interview guide that included multiple guiding themes. The guiding themes for the interviews were derived from Power Dependency Theory and the research objectives: dependency on buyers, control over resources, access to alternative buyers, government support, and power perceptions in the value chain. Each theme consisted of a number of targeted questions to guarantee that all relevant topics were covered.

Stakeholders were selected from across the Jamaican coffee sector. The first target group consisted of government representatives involved in Jamaica's coffee regulation and agricultural development such as officials from JACRA. There was active contact for multiple weeks with the regulatory body, JACRA. They allowed me to send in my questions and forwarded them to the directors of the organisation. Unfortunately, no response was received.

In addition, representatives from NGOs and development organisations active in Jamaica's coffee sector were also approached. Two respondents from the Jamaica Coffee Growers Association provided insight into the challenges faced by smallholder producers and the association itself. These actors provided valuable perspectives into how public policies affect smallholder farmers and how power dynamics manifest in practice.

Additionally, the majority of the interviews were held with smallholder farmers of BM coffee to share their perspectives and experiences in the industry. The interviews were semi-structured and open-ended, allowing respondents to elaborate on institutional developments, policy challenges, and the role of government support in influencing buyer–producer relations.

Table 1. Respondents

ID	Role	Function/Background	Region	Gender	Experience
F1	Farmer and cooperative owner	Own two farms in Jamaica; leads cooperative exporting to Japan	Blue Mountain	M	1-3 years (after hobby phase)
F2	Smallholder farmer	From a multigenerational farming family	Blue Mountain	M	Coffee family for decades
F3	Farmer and Exporter (JCGA)	Took over family's farm; exports via JCGA	Blue Mountain	M	Around 4 years
F4	Organic farmer and active NGO member	Runs organic farm	Blue Mountain	F	20+ years
F5	Smallholder farmer	Sells to local exporters; joining JCGA to access processing and markets	Unknown	M	Unknown (actively farming)
E1	Exporter	Former factory/process manager in family farm	Kingston	M	Around 5 years

7.1.3 *Sampling strategy*

Participants were selected through purposive sampling, targeting individuals with direct experience in Jamaica's coffee sector. The focus was to get in contact with smallholder farmers, as they represent the group that is most heavily affected by buyer power and regulatory constraints. Snowball sampling was used to get in contact with additional respondents, based on referrals from the interviews.

In total, six interviews were conducted with smallholder farmers in the Blue Mountain region. Some respondents had additional roles in the supply chain, such as cooperative leadership or export activities, which provided complementary perspectives.

In order to gain a holistic view of institutional dynamics, representatives of the regulatory body JACRA were also approached. However, after many weeks of contact with JACRA and interview questions were submitted, no interview could be arranged before the thesis deadline.

7.1.4 *Data analysis*

Interviews were transcribed and analysed using thematic coding. A deductive and inductive coding approach was used. Deductive codes were developed based on Emerson (1962) Power Dependence Theory and research questions. Inductive codes were developed during the reading of the transcripts to capture additional themes emerging from the data. All codes were grouped under five themes that were derived from Power Dependency Theory and the research objectives: dependency on buyers, control over resources, access to alternative buyers, government support, and power perceptions in the value chain. These themes aligned with the theoretical framework and the structure of the interview guide. Thematic coding allowed for a structured comparison of responses across participants, which ensured context-specific sensitivity. The objective of interviewing stakeholders was to identify patterns in how producers perceive and respond to buyer power. Additionally, the goal was to identify how institutional factors influence these dynamics. The findings from the interviews are covered in the section that follows.

8. RESULTS

8.1.1 *Dependency*

Farmers repeatedly stated that they have no influence on the price they receive for their coffee, as roasters or exporters determine the price at the beginning of each season. One farmer explained: "At the beginning of the season, they will say, this is what we're paying, and that's it." Other farmers confirmed: "We don't have room to negotiate the price," and "They are the ones who made the price."

Beyond price-setting, farmers consistently reported having no influence on the broader terms of sale. One farmer explained: "There is some volume discount involved. But again, because of the demand for the coffee and the low supply, there's very little negotiation in terms of price. It's almost like anything you can give me, I'll take it."

During the interviews farmers also highlighted the unpredictability of farmers' income. Several farmers described how coffee prices fluctuate between seasons. One farmer explains the situation: "Part of the challenge is that the coffee price set by JACRA and the powers that be doesn't really change. It goes up and down, minimal up and down. Because, like I said, the supply and demand, but the farmers at the front end, they get very little benefit from that rich price that that's normally charged, and they experience a whole bunch of fluctuation."

Another farmer explained that farming involves high uncertainty. He has to make large investments without knowing how much income he will receive at the end of the crop. Additionally, the unpredictability is further worsened by external risks such as hurricanes, which can damage his farm.

8.1.2 *Alternatives*

Interviewees repeatedly explain that switching between buyers is easy and does not involve financial or legal barriers. As one farmer stated: "Yes, it is very easy to switch."

One farmer explained: "There are like, 5, 6, 7 buyers, and all of them will stick to the same price." He added: "You can switch. You can decide. So, I'm selling you this today, and tomorrow I'll sell to another person. But the price doesn't change." Another farmer stated: "The choices that we have, are the ones that they gave us."

8.1.3 Control over resources

Most of the farmers explained that they have no control over what happens after the harvesting of their coffee. The processing, grading, packaging, and exporting of the coffee are mostly handled by exporters. One of the farmers explained this clearly: “They (the exporters) are the ones who control and they are the ones who have the powers now, because they are the ones who have the markets. They are the ones who have the facility to do the processing. So at the end of the day, it's like we are there with the product, but we don't have the advantage. We don't have the processing.”

Another farmer stated that the majority of the smallholders do not engage in processing. “They just take it from the farm and sell it as cherry beans.”

Most farmers have no control over their coffee after harvest. However, a few interviewees described efforts to increase their control by processing their coffee themselves. They reported taking responsibility for pulping, grading, and sometimes even roasting their coffee themselves. One of the farmers explained: “We take care of all of that piece. When we sell it to them, it's already to go roast, so we are doing the grading and all that sort of stuff.” Another farmer explained: “I decided that what I needed to do was to only sell roasted because that way I can control the transparency of the chain, and I also can avoid JACRA.”

In addition to buyers and producers of coffee, the Jamaican value chain is regulated by JACRA, the national authority responsible for quality control. Farmers as well as exporters are required to follow strict quality standards regarding bean size, moisture content, and appearance. The quality standards are enforced through inspection and testing. One farmer explained: “Twice a year, we'll have inspections from JACRA. They'll come unannounced to inspect and see the facilities, and they'll take samples of your product, do the taste and see what's going on.” Another exporter added: “We have to wait on them to evaluate it. And sometimes you don't even know what to tell customers. It gives little control over that.”

8.1.4 Government support

Multiple stakeholders highlighted that licensing requirements from JACRA create financial and legal barriers that restrict participation in the value chain. First, the licensing fees are expensive for smallholder farmers. Second, there are high penalties for participating in processing, exporting, and importing without official licence.

One farmer explained how the regulatory changes made licensing unaffordable: “Actually, we went through the process and we were granted the license, just a fee that we're supposed to pay. Then JACRA came in with new regulation and started to change the fee. So the fee was doubled, from five hundred thousand to a million dollars. You know, they try to get the small part-takers out of the thing.” Another farmer added: “We are always marginalised as farmers, and even trying to get a licence to do your own export, they have put it out of your reach. The fee is about 2 million Jamaican dollars, which is about 15 to 16 thousand US dollars for the license fee to sell coffee. That is just one requirement. Another requirement is that you have to have a certain volume of coffee.”

A third farmer explained that beyond licensing fees, farmers face very expensive fines when they enter different stages in the value chain without official approval from the regulatory body. “You're not supposed to dry your own coffee, two million dollar fine. You're not supposed to… well, every single stage there's a fine. So it's just very clear that is not what they are interested in.”

However, it is not just the farmers that are affected by these institutional barriers. An exporter of the Blue Mountain coffee expressed his frustration at the complexity stakeholders face in the value chain. He noted: “We as exporters understand that we need a license. But when I learned that the importer has to have a license from JACRA as well, that kind of threw me off.”

8.1.5 Minimum price support

All the interviewees were asked about their perspective on the idea of a government-enforced minimum price as a way to improve farmers’ income. Most of the farmers expressed support for a minimum price policy. They explained that it could be a tool for stabilising income and reducing exploitation.

Several farmers explained the unfairness of the current price distribution. One cooperative leader stated: “You’re paying the farmer 80 dollars for eight pounds, but you’re charging about 55 to 60 US per pound at the front end, that’s a real rip-off.”

Other farmers agreed that a fixed price would secure a stable income and reduce uncertainty: “If we have a stable income and we know it's not going to change, then we know that we can have an estimate of what we're looking at.”

However, opinions were divided. One of the interviewees pointed out that a minimum price already exists, but it is set by the exporter rather than the government, which leads to inconsistencies. One exporter stated: “There is a minimum price, but the government doesn't control that… exporters cut deals individually with different farmers.”

Some respondents were also sceptical about whether such a policy would be feasible in the Jamaican industry. They argued that collective organisation among farmers is needed first: “We need to be able to get the farmers together if that were the case, we'd probably be able to make some changes. But right at the moment, no, I just can't see it working.”

8.1.6 JACRA support

Several respondents emphasised the lack of government or institutional support. Even in times of crisis or natural disasters, interviewees reported that they received little to no support, while still being required to meet various licensing obligations. A farmer explained how a hurricane left extensive damage on his farm. He had to start all over from scratch.

Another farmer stated: “You will never get anything from them, because a lot of the major players in the industry are part of the regulator bodies. They are in charge of everything that has to do with the aspect of coffee.”

Member of the JCGA mentioned that there was a rare case where help from JACRA was promised, but it came with conditions attached. The farmer noted: “It was given with one hand and taken away with the other.”

Another farmer argued that JACRA is the one who should help regulate coffee prices and provide sector support in order to improve the position of smallholder farmers.

The following section investigates whether shared learning platforms and training programs help farmers reduce their reliance on powerful actors.

Farmers reported that JACRA organised marketing events where farmers could share knowledge with each other. Farmers could give each other information about fertilisers and other inputs in order to grow coffee more effectively and sustainably. These events were described as helpful but insufficient to address the broader challenges farmers experience.

One farmer explained that JACRA organises coffee shows and invites farmers to participate. These events enable farmers to share their best practices and learn from other farmers. Larger companies also attend and share their knowledge as well. For instance, larger corporations give sessions on what type of fertilisers to use and explain why some methods are more effective than others.

Surprisingly, one farmer mentioned having received support from JACRA. He explained that he received fertilisers and chemicals for his farm.

A member of the JCGA explained that the association is trying to coordinate a solution for how JACRA can better support coffee farmers.

There is some technical support and knowledge sharing provided by JACRA, however it is limited and inconsistent. Interview data suggests that not every farmer benefits from this support. Table 2 provides a summary of the key findings per theme discussed in the results section.

Table 2. Summary of the main findings per theme

Theme	Summary of findings
Dependency	Buyer determines coffee prices; farmers cannot negotiate.
Alternatives	Switching is possible, but buyers offer same price and terms.
Control of resources	Farmers lack access to processing and value-adding activities.
Government support	JACRA licensing blocks farmers; support is inconsistent.
Power perception	State and buyers dominate; farmers are excluded from decision-making.

9. DISCUSSION

9.1.1 *Power Dependency Theory*

Emerson (1962) Power Dependency Theory provides a valuable theoretical framework that aligns with the findings of this study to understand buyer and supplier relationships in unequal supply chains.

The study shows that smallholder farmers are dependent on a handful of powerful buyers who control the Jamaican coffee industry. The dependency is reinforced by two factors: motivational investment and availability of alternatives.

First, farmers' motivational investment is high because coffee is the main source of income. Respondents reported that buyers determine the coffee price, and that they must invest in fertilisers and labour months in advance, without knowing what they'll earn in return.

These findings confirm that motivational investment leads to a lock-in effect, where farmers are unable to reject unfavourable terms. In contrast, buyers of Blue Mountain coffee operate with minimal dependency on suppliers. They have more sourcing options, which places them in a dominant position.

Second, although there are the multiple buyers in the Jamaican coffee sector, interviewees repeatedly mentioned that the price conditions are largely the same for every buyer. This means that the existence of alternatives does not offer any variation and therefore does not actually reduce farmers' dependency (Emerson, 1962). This dynamic reinforces the dominant position for buyers enabling them to benefit from the variety of sourcing options in the same region. The lack of credible alternatives for producers enables buyers to maintain control over the market access and terms of trade.

Finally, the role of JACRA functioning as the state's regulatory institution in the coffee sector, does not mitigate but rather reinforces farmers' dependency. JACRA demands expensive licensing requirements that restrict who can process and export Blue Mountain coffee. Farmers reported that fines are issued whenever they attempt to add value independently. The institutional design is meant to address the dependency problem, however it is in fact worsening the situation. JACRA is currently protecting the dominant buyers and shows how regulatory structures can deepen dependency within the supply chain. State intervention is therefore essential by not only supporting farmers, but also to constrain buyer power and redistribute influence over the value chain.

9.1.2 *Limits of traditional supplier development*

Traditional supplier development assumes a minimum level of power balance and mutual willingness to collaborate between the buyer and the supplier (Wagner, 2011). According to Krause et al. (1998) and Wagner (2011), it is the purchasing company that drives supplier development by investing in improving the supplier's performance with the expectation to not only benefit the supplier but also enhance buyer outcomes (Krause et al., 2007).

The findings of this study demonstrate that these conditions are largely absent in the Jamaican coffee sector. As described in the previous section, smallholder farmers face extreme dependency on buyers. The relationship between buyers and suppliers of coffee is asymmetrical: the buyer determines the terms and farmers must accept the conditions in order to avoid the risk of losing their harvest. Under these conditions, voluntary and collaborative supplier development is not feasible.

Additionally, buyers in this sector are not incentivised to invest in farmer upgrading. Their strategic interest is in maintaining control over processing and export channels, which keeps the power centralised. As a result, buyer-driven supplier development is blocked. Without regulatory correction, there is no reason for dominant buyers to change their activities.

These findings highlight a key limitation in the supplier development literature. The traditional literature overlooks contexts with extreme power asymmetries. The Jamaican industry illustrates that buyer-driven supplier development is not always possible. Instead, non-traditional actors such as the state must step in to create the necessary conditions of supplier upgrading. This includes price regulation, lowering of entry barriers, and support for cooperatives and NGOs that can reduce farmer dependency and power imbalance.

9.1.3 Government intervention

State intervention can serve as a substitute in contexts where traditional supplier development fails because of extreme power imbalances. This study confirms that smallholder farmers lack negotiation power, market access, and institutional support that are all necessary for market-driven improvements.

Currently, the farmgate price is set by the exporters and large processors at the start of each season. The price acts as a fixed price, which farmers have to accept regardless of their production costs or market conditions. Farmers have no negotiation power and the price often remains unchanged even when demand increases. This gives buyers a dominant position in the value chain.

In the desired situation, the Jamaican government would implement a minimum price policy. Such a policy would act as a protective floor, ensuring that farmers receive a stable income that covers their production costs and protect them from exploitation. This transition would help rebalance power in the value chain and reduce the dependency of farmers on powerful buyers.

From a microeconomic perspective, a minimum price floor can lead to more supply if the regulated price is above market equilibrium. Farmers may be incentivised to invest and produce more due to the guaranteed returns. On the demand side, buyers may reduce their purchases because the high price affects their profitability. However, Jamaican Blue Mountain coffee is globally a rare and premium product. Demand is strong and exceeds supply, meaning that price floors are unlikely to lead to overproduction.

Interview data suggest that most smallholder farmers support the idea of a government-enforced minimum price. They believe it would make income more predictable and reduce the need to accept unfavourable terms. From the perspective of Power Dependency Theory (Emerson, 1962), a minimum price can decrease farmers' motivational investment in dominant buyers. Theoretically, this would give farmers the space to reject unfair agreements and improve their bargaining position.

The results align with Chintapalli and Tang (2021), who argue that minimum price policies are effective in ensuring farmers' income and overall well-being by giving them a price floor that protects them from market fluctuations. The downside is that MSPs require more public funding, which is difficult in low-budget settings such as Jamaica.

Despite the support for a minimum price, several interviewees reported a lack of transparency, bureaucratic barriers, and unaffordable licensing fees from the regulatory body JACRA. Some respondents expressed doubts about whether such a state-led intervention could work out effectively, given the overlapping interests of buyers and regulators. In this case, farmer representation in regulatory boards might be necessary in order to create meaningful changes. This means it is only possible if institutions function independently and policies are designed to reduce farmers' dependency.

The majority of the farmers support the idea, but many also showed mistrust in the current regulatory institutions. Some respondents questioned whether such a policy could work in the current system. As one farmer stated: "we need to be able to get the farmers together. But right at the moment I just can't see it working." Another farmer added that support is inconsistent and needs more transparency.

Amaglobeli et al. (2024) identified broader structural limitations that are reflected in these concerns. They warn that subsidies and minimum price policies can result in resource misallocation and market distortion when implemented in weak institutional settings.

In Jamaica, institutions such as JACRA have been repeatedly criticised for reinforcing structural imbalances. High licensing fees are unaffordable for smallholder farmers and quality inspections are not transparent.

From the perspective of Power Dependency Theory (Emerson, 1962), institutional instability reduces the potential to decrease the motivational investment. A minimum price requires credibility, fair implementation, and accessibility in order to succeed. At present, many farmers are afraid of political manipulation and regulatory obstruction by dominant buyers, leaving them vulnerable even with protection. Unless institutional reform ensures independence, transparency and farmer representation, minimum price policies risk becoming symbolic. Stabilising prices can only be effective if structural buyer dominance is directly challenged.

9.1.4 Contradictions

Most of the interviews outlined a pattern of economic vulnerability and power imbalance for farmers in the value chain. However, some respondents offered perspectives that were not aligned with the majority view. These exceptions are crucial because they reveal alternative pathways for producers.

For instance, farmers participating in cooperatives reported having more autonomy. One respondent, a cooperative member, mentioned that they handled the processing of the coffee themselves. Whereas most farmers reported having no control over processing stages, this respondent stated that they had full control. This case demonstrates that farmers' dependency on powerful buyers can be reduced once they have control over processing facilities. However, these instances remain very rare and are linked to assistance such as NGO collaborations or cooperatives.

Another example comes from an organic farmer who is able to bypass JACRA largely by roasting and exporting her coffee independently. This farmer is internationally certified to sell Blue Mountain coffee and sells it directly to customers. This case shows that regulatory bypass is possible under certain conditions, but for the average smallholder farmer it is difficult to replicate, as it requires certification, capital, or market access.

These contradictions demonstrate that while structural inequality dominates the industry, there are cases where producers are able to create more autonomy. However, this is only possible with access to resources, support systems, or favourable positioning. These cases highlight that structural barriers must be removed before such models can be scaled, without invalidating the broader pattern of dependency.

9.1.5 Theoretical implications

This research confirms the relevance of Power Dependency Theory in analysing supply chain relationships in contexts with extreme power imbalances. The two factors, motivational investment and availability of alternatives, provide a useful framework to demonstrate the dependency between smallholder producers and multinational buyers. The study results show that this dependency does not only stem from economic issues, but is reinforced through institutional design, regulatory barriers, and a lack of state support.

Institutional power represents an important theoretical extension of Power Dependency Theory, functioning as a separate layer of dependency. In Jamaica, regulatory bodies play a pivotal role in maintaining producers in a weak position by giving them licensing barriers, fines and limited access to profitable stages in the value chain. These institutional factors shape the Jamaican coffee industry and further deepen the existing power imbalances.

The findings of this study are also relevant for other sectors beyond the Jamaican Coffee industry. The framework and conclusions of this study are applicable to sectors such as cocoa or tea, which deal with extreme power imbalances. Power Dependency Theory is a useful framework for analysing buyer-supplier relations.

9.1.6 Practical implications

The study results reveal that intervention from policymakers, development agencies, and private sector agents could reduce the dependency of smallholder farmers in Jamaica's coffee industry.

First of all, JACRA's high licensing fees exclude smallholder farmers from entering other stages in the value chain including processing and export stages. Licences for pulping, drying, and hulling are high and unaffordable for smallholder farmers. Government actors should lower these licence fees to make participating in these profitable stages in the value chain easier for all segments in the industry. In addition, a government-enforced minimum price reduces farmers' income volatility and could increase their bargaining power. However, transparency in the price-setting is crucial in order for this to be effective. Farmer representation in the regulatory settings is necessary to ensure that pricing decisions reflect field realities and provide fairness.

Currently, smallholder voices are excluded from decision-making processes. Institutional reform needs to ensure that farmers' associations have a guaranteed representation in JACRA's regulatory body. Farmers' voices are essential for making policies that reflect field realities and can reduce power imbalances. Buyers must also take responsibility for maintaining power balances in the value chain. This includes providing more transparent information about processing and offering improved purchasing prices based on farmers' cost structure. Responsible sourcing should be standard and not be optional.

10. LIMITATIONS AND FUTURE RESEARCH

The study provides valuable insights into buyer power and institutional barriers in Jamaica's coffee industry. However, it has some limitations.

First, the majority of the interviews were held with smallholder farmers. This group of stakeholders aligns well with the focus of the study, but the absence of direct input from regulatory institutions, particularly JACRA, limits the ability to fully represent institutional perspectives. Despite repeated attempts and weeks of communication, it was not possible to schedule an interview with JACRA before the thesis deadline. Future research should include perspectives of regulatory institutions. In addition, voices of multinational buyers were also not included in this research. Their perspectives on supplier relations and their responses to minimum price policies would help to understand the power dynamics even better.

Second, the sample size and scope of the interviews that were conducted limit the generalisability of the findings. The qualitative data revealed a pattern, but the sample size was limited to six participants. The findings of the study reflect mostly experiences of the respondents within the Blue Mountain coffee sector and may not be applicable to all regions of Jamaica.

Third, the findings of the study rely on self-reported experiences from the respondents. This includes valuable inside perspectives, but data might reflect inaccuracies because of memory recall and bias against buyers and institutional actors.

Fourth, some respondents were recruited through snowball sampling, which might have led to a concentration of participants with similar viewpoints. This could have limited the diversity of perspectives, particularly regarding the buyers who may operate under different models.

Future research should include a broader range of stakeholders, particularly JACRA officials, international buyers, and policy makers. In addition, quantitative studies can complement these insights by investigating the effect of policy interventions such as minimum price policies on farmer income.

11. CONCLUSION

Through the lens of Emerson (1962) Power Dependency Theory, this study investigated how government intervention can regulate buyer power in Jamaica's coffee sector. The results of this study demonstrate how smallholder farmers depend on a group of powerful buyers who have control over processing, pricing and market access. Motivational investment and a lack of alternatives are key factors that reinforce the dependency on buyers.

Extreme power imbalances make traditional buyer-driven supplier development ineffective. The state must act as a non-traditional actor by lowering institutional barriers, enforcing minimum prices, and involving farmers in policy processes.

Government intervention has the potential to rebalance power in the value chain, but institutional reform is necessary to make changes effectively. Interventions risk becoming symbolic without transparency and farmer representation. Redistributing power is necessary to address dependency in global agri-food chains, economic solutions alone are not sufficient. This research also contributes to the field of Purchasing and Supply Management by conceptualising buyer power as a structural barrier to effective supplier man

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13. APPENDIX

Appendix A – Interview guide

Aim: The interview guide was developed to conduct semi-structured interviews with farmers/exporters in Jamaica's coffee sector. The questions were open-ended and used as a basis for flexible conversations. All questions allowed respondents to give insights on their experiences and perspectives.

Section 1: Questions about the dependency of farmers and exporters

1. To whom do you usually sell your coffee (exporters, cooperatives, direct buyers)? Why?
2. Do you feel you can negotiate the price or conditions of sale? If not, what limits you?
3. What happens if you refuse the terms a buyer offers? Do you have any fallback options?
4. Where do you source most of your coffee? (for exporters)

Section 2: Questions about the control of resources

1. Who controls key steps like processing, exporting, or grading your coffee?
2. Do you feel you have influence over how your product is treated or marketed? Why or why not?
3. Do buyers ever reject your coffee, or demand certain conditions you must meet?
4. What quality requirements must be followed for your coffee?

Section 3: Questions about the alternatives of farmers and exporters

1. Do you have access to multiple buyers? How easy is it to switch?
2. How easy or difficult is it for a farm like yours to switch export channels or reach new customers?
3. What alternatives would make the process easier for you?

Section 4: Questions about government support/intervention:

1. Have you ever received support from JACRA or other Jamaican government programmes such as training, subsidies, or market access?
2. In your experience, are government policies aligned with the needs of smallholder and organic farmers?
3. Do you think a minimum price policy could help protect farmers?
4. What should the government do differently to improve the position of producers?
5. What could the government do differently to improve the position of exporters?

Section 5: Questions about farmers' and exporters' perceptions of power and policy participation:

1. Do you feel that farmers are involved in decision-making or policy discussions?
2. In your opinion, what is your position in the coffee value chain?
3. Is there someone who holds more power over you?

14. APPENDIX

Appendix B – Codes

Theme	Code	Quote
Dependency	No negotiation power	"*There is some volume discounts that's involved. But again, because of the demand and for the coffee and the low supply, there's very little negotiation in terms of price. It's almost like anything you can give me, I'll take it*"
Alternatives	Fixed price	"*the exporters, like, 5, 6, 7 buyers, and all of them will stick to the same price*"
Control over resources	Buyer controls processing	"*the buying firms are responsible for processing, exporting and grading the coffee.*"
Government support	Licensing barriers	"*a licensing to do your own export, they have put it out a your reach. So in a monetary, the fees that I think it's about 2 million Jamaican dollars, which is about 15 to 16 us dollars*"
Power perception	Perceived unfair treatment	"*The choices that we have is, is the one that they gave us.*"