The Cocoa Value Chain & the Farmer’s Position

Job Leuning

ICCO World Cocoa Conference
Agenda

Structural dynamics in the Value Chain

Structural dynamics at the Farmer Level

How to Thrive?
Structural Dynamics in the Value Chain

How is value distributed across the value chain?

- Information
- Market forces
- Inter-relationships
- Value addition
Structural Dynamics in the Value Chain

Farmer → Cocoa Sourcing → Processing Industry → Chocolate Industry → Retailer → Consumer

Capacity
- +400kMt Capacity
  - Indonesia
- +100kMt Demand
  - Ivory Coast
  - High Cocoa Prices
  - Nigeria
  - Global Economic slow down
Evolution of the cocoa industry
From a farmer’s perspective

- Information (insufficiently educated)
- Market forces (millions of farmers)
- Inter-relationships (non-organized farmer lacks influence)
- Value addition (GAP)
From a farmer’s perspective

• Information (insufficiently educated)
• Market forces (millions of farmers)
• Inter-relationships (non-organized)
• Value addition (GAP)

➔ Price as a signaling mechanism

As a result: Farmer has little influence on these dynamics
How to Thrive? Breaking the Cycle!

Education

Improving knowledge and skills; allowing farmers to raise their yields and improve productive.

Sustainable communities

A place where people live and work, now and in the future in an economically, environmentally and socially healthy and resilient way.

Long term prosperity

Make farmers successful for generations to come.
How to Thrive? Breaking the Cycle!

Farmer Organizations
- Knowledge sharing
- Support market access
- Assist in administrative tasks
- Financing
- Invest in communities

The Coop Academy
Empowering cooperative leaders through the Coop Academy

Credit Access
Providing farmer organizations with affordable credit access
Wrap up – Focus on Farmers Organization

- Farmer Cooperation
- Industry Support
- Farmer Training
- Coop & Community support