

# aidenvironment

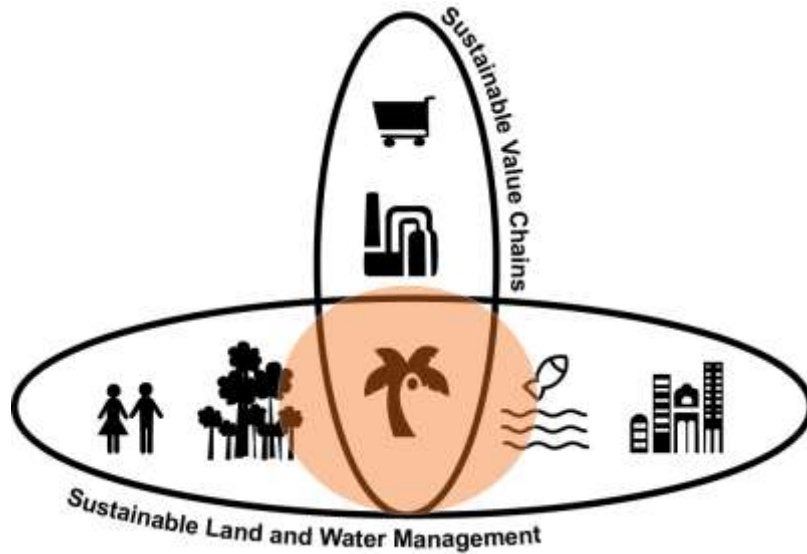


## Price management in the cocoa sector

*Key insights*

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## Working where value chains meet landscapes



Research / Strategy / Implementation / M & E

Offices in Netherlands, Indonesia & Uganda  
Active in 30+ countries





## Price management instruments & cocoa cases

### Main objectives:

- price stabilization
- farmer value capture
- market efficiency

### Cases reviewed in the **cocoa sector**:

Sector-led

Conseil Café Cacao (CCC) in Cote d'Ivoire  
Ghana Cocoa Board (Cocobod) in Ghana

Supply chain-led

Pre-competitive (Fairtrade)  
Company models (Ritter, Tony's, Theo's, Taza)

Producer-led

n/a



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Sector models (CCC, Cocobod) have a positive effect at scale but need to be complemented by supply management

- ✓ Leads to seasonal price stability
- ✓ Enables strategic investments
- Introduce supply management (e.g. land zoning, diversification, buffer stocks) and embed it into national agricultural policy
- Improve transparency, accountability and coordination (e.g. multi-stakeholder/supra-national and macro-economic modelling)

## Supply chain models that manage price risk are effective in isolated supply chains

- ✓ Leads to price stability
- ✓ Increases farmer value capture
- Promote minimum prices, flexible premiums and cost-plus pricing (e.g. with contract farming) in mainstream markets
- Offer favorable trading terms to producers and possibly price insurance
- Use pre-competitive initiatives to inform price and premium-setting (e.g. Cost of Sustainable Production, Living Income Reference Price)

# Thank you

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