Cocoa Producers’ Alliance

HOW COPAL CONTRIBUTES TOWARDS THE DEVELOPMENT OF A SUSTAINABLE COCOA ECONOMY

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Introduction

- Cocoa farming is a major source of income for the livelihood for most of the rural population, employing millions of people (both directly and indirectly).

- It is a major source of revenue for the economies of cocoa producing countries, accounting for up to 40% of total export earnings in some instances. The income generated goes into the development of most of the economic and social activities such as infrastructure, education, health and research.

- Given the importance of cocoa in producing countries, it can play a pivotal role in the rural transformation process of alleviating poverty and meeting the United Nation’s MDGs.

- Therefore our quest for a Sustainable World Cocoa Economy is pertinent.
World Cocoa Situation

Average price
Production
Grindings
End-of-season Stock

End-of-season stocks  Average Price  Grindings  Production
Threats

- Pests and disease
- Poor economies of scale, low productivity and low income
- Environmental and soil degradation
- Climate change
- Competing crops for land and labour
- Poor soil management practices.
**Strengths**

- Favourable ecology
- Land availability
- Labour availability
- Huge tree stock
- Resilient production system
- Significant State Revenue source
- Cocoa Quality
- Fair fermentation practices
- Generally limited chemicals usage
Weaknesses

- Lack of market information and information on cocoa resources.
- Small average farm size (economies of scale), and low productivity.
- Rapidly expanding area under cultivation.
- Inefficient production methods (GAP, Diversification, etc.).
- Limited access to high yielding planting material, & other farm inputs.
- Outdated quality standards.
- Poor environmental stewardship.
- Aged and poorly educated farmers.
- Aging trees, poor germplasm.
- Poor trade infrastructures (transport, warehousing, market information, financing).
- Low institutional support (extension, farmers’ investment decisions).
- Inadequate technology transfer, and adaptation of innovation.
- Weak farmers’ organisations and poor redistribution of returns.
Opportunities

- Large existing and growing market for cocoa products
- Products for the different market segments
- Multiple use of cocoa and cocoa products
- Favourable climatic and other ecological factors
- Availability of Labour (professional and unprofessional)
- Availability of Land
- Private/public sector partnership
- Research capacity
- Regional and international cooperation
- Governance
COPAL's objectives

1. To exchange technical and scientific information.
2. To discuss problems of mutual interest and to advance social and economic relations between producers.
3. To ensure adequate supplies to the market at remunerative prices.
4. To promote the expansion of consumption.
1. To exchange technical and scientific information

- Scientific Workshops and Seminar
- International Cocoa Research Conferences
  - These conferences have given birth to several International Independent Working Groups, namely,
    - Ingentic
    - Incoped
    - Inaforesta
    - Cocoa by-products
- Sharing research findings
- Collaborative initiatives with International Research Institutes
2. To discuss problems of mutual interest and to advance social and economic relations between producers

- Statutory meetings and other workshops and seminars rotate among member States enhancing exchange of experiences in a wide range of developmental issues.

- Coordinate cocoa sector policies in the best interest of our peasant cocoa farmers.
3. **To ensure adequate supplies to the market at remunerative prices.**

- Coordinate production policies
- Monitor demand, supply and price trends
- Look into issues on measures to improve productivity, efficiency and quality.
- Diversification and price risk management: Today cocoa is grown on about 8 million hectares by the 7 top producing countries. Should we increase our productivity we could actually supply the market adequately on a smaller surface area and release some land area for diversification to other crops and reduce the risk of farmers to cocoa price volatility.
4. **To promote the expansion of consumption.**

- Promotion of consumption
  - Emphasis on generic promotion
  - National Promotion Committees
  - Database on virtues of cocoa
  - Seminars on the virtues of cocoa
- Institution of promotion fund
- Integrate cocoa into our local diets.
Options for Intervention

- Undertake an inventory on all cocoa resources and maintain database.
- Improve productivity, efficiency and quality.
- Ensure food safety requirements.
- Provide adequate agricultural support including affordable financial support services.
- Re-organise the marketing structure.
- Organise farmer organisations.
- Strengthen the private sector.
  - Invest in infrastructure and logistics.
  - Capacity building (Human, Institutional, Infrastructural).
  - Encourage local consumption.
  - Development of downstream sector in origin countries
  - Provision of timely information (cocoa resources, markets).
1. Global agreement on the relationship between the 3 tenets of sustainability.
   - Cocoa should enable farmers to cross the poverty line. Cocoa culture should be a business not a destination.

2. We need a new generation of cocoa farmers, farmers that can get satisfaction and live decently from cocoa.
   - Access to basic social and educational services – health services, clean water, electricity.
   - Access to sustainable agricultural credit.

3. We need to act together and today.
THANK YOU FOR YOUR KIND ATTENTION.

Long Live the World Cocoa Economy