Towards a Sustainable Cocoa Economy: Experiences from West African Cocoa Communities

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A commercially oriented and growing agricultural sector in the cocoa belt of West Africa comprised of small to medium-size farms generating middle to high income.
Meet Kofi and Abena – producers of cocoa, plantain and cassava

Not an atypical farming family
Kofi and Abena’s Livelihood – Today

• Kofi and Abena’s parents used to produce cocoa and other crops in the Eastern Counties, but their land wore out, pest pressure increased and so it was abandoned
• The young couple migrated westwards
• Kofi now produces cocoa on 4 ha of land that was once part of the Guinea Forest
• And plantain on 1 ha of land
• His wife, Abena, produces cassava and other commodities in a mixed food crop field that is approximately 0.5 ha
Kofi and Abena’s Livelihood – Today

• Kofi and Abena have only had irregular interactions with extension and no access to improved planting material.
• Unable to purchase products to fight cocoa black pod disease and cocoa mirids and never use fertilizer on any of their crops.
• Nearest input dealer is a day’s journey in the rainy season.
• Can not borrow to finance their efforts.
• Only capital inputs are simple hand tools.
• The forest is their source of plant nutrients.
• And they sell their cocoa to a local buyer not fully understanding pricing and quality standards.
Kofi and Abena’s Livelihood – Tomorrow

- Plant 5 ha of Amelonado cocoa with the latest Cocoa Research Institute hybrids and apply fertilizer increasing output from 2 to 5 tons
- Adopt intensified methods on the 1 ha plantain farm increasing yields by nearly 200%
- Use the newest varieties on a 1 ha cassava farm increasing yields by nearly 100%
- Trained in best practices
- Have access to price and market information
Kofi and Abena’s Livelihood – Tomorrow

- Despite declining prices, since Kofi and Abena are not the only ones innovating and intensifying their systems, their gross farm income increases 78% from $4,600 to $8,200.

- And the surplus food crops sold provision an increasing urban population.

Getting from Today to Tomorrow by developing a Rural Transformation Strategy for the Agricultural Sector building on cocoa.
Agricultural transformation of the cocoa belt leading to rural income growth that is environ. & socially responsible

Traditional cocoa sector
Producers below median output account for only 15% of output
Low productivity growth (1-2%)
Large numbers of producers (2 million)
High transaction costs per unit sold

Improved policy & institutional environment

Productivity-enhancing innovations

Commercial cocoa sector
Greater market reliance
High productivity growth (4 - 6%)
Declining numbers of producers
Economies of scale
Low transaction costs per unit sold
Probably, declining price of cocoa.

Improved policy & institutional environment

Marketing Efficiency enhancing innovations

Marginal cocoa land and labor previously employed in cocoa and now available for investments in other activities

Income opportunities from non-cocoa land/labour

Growth in new agricultural and non agricultural enterprises

Income opportunities from non-cocoa land/labour
What to invest in for a sustainable cocoa economy?

• **Public sector**
  – Research and extension capacity
  – Rural health and education, including vocational training in agriculture
  – Roads
  – Improved access to markets

• **Policy reform**
  – Reduced barriers to regional and international trade
  – Land and tree tenure reform
  – Rule of law
What to invest in for a sustainable cocoa economy?

• Private sector
  – Production inputs and distribution capacity
  – Market infrastructure (warehouses, transport, grades and standards)
  – Capital tools— agricultural machinery and traction
  – Agricultural finance
A picture of days gone by
THANK YOU

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