



# From Scarcity to Sustainability

Abidjan Nov 21, 2012

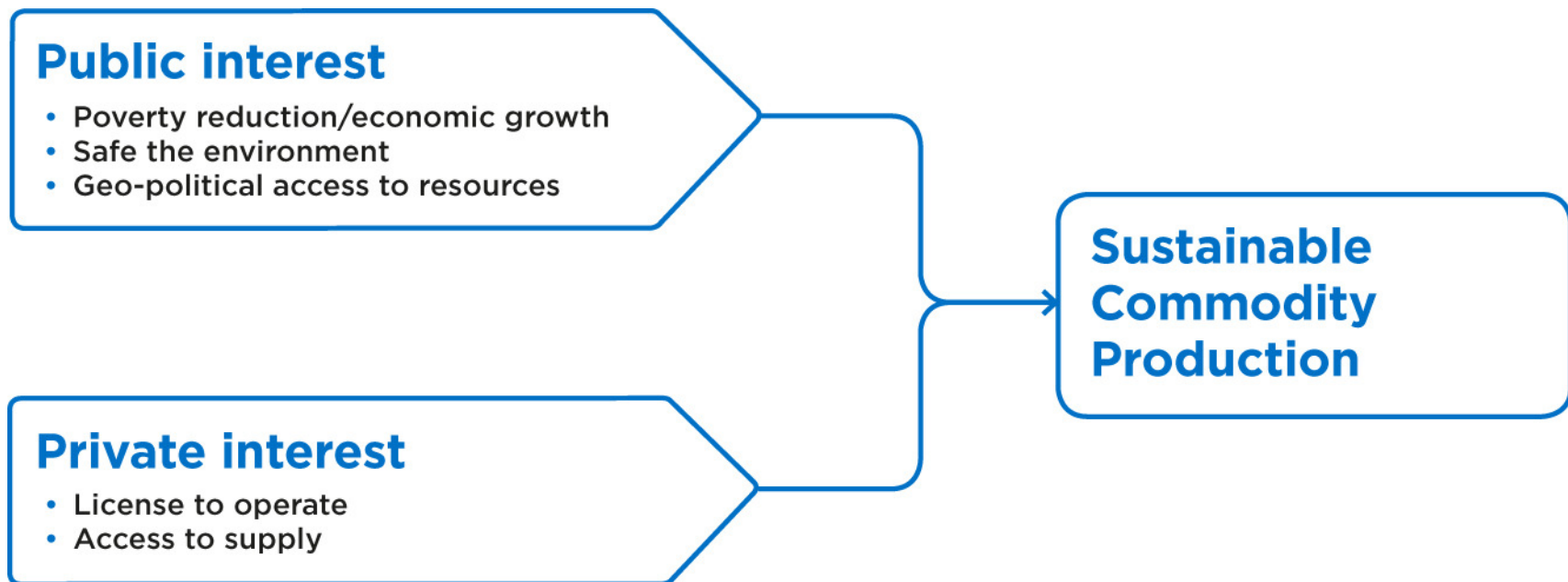
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**idh** the sustainable  
trade initiative



# Creating a business case for public-private cooperation





**SCARCITY**

FROM



**TO SUSTAINABILITY**



**FOR A HEALTHIER COMPETITION**



# The challenge ahead: Where we are today

## 1. Economic Challenges:

- Over **80%** of all cocoa is grown by **smallholders**
- World cocoa **demand** growing 2-3% p.a. vs. **supply** declining 2% p.a.
- **Only 10% certified** cocoa in 2011
- Lack of Market transparency/access to market information
- Cocoa market price volatility
- Access to finance and input supplies (fertilizer, pesticides etc.)

## 2. Environmental Challenges:

- Reduced rainforest area
- Soil depletion
- Aging trees (35 to 40yrs old)
- Pests and diseases

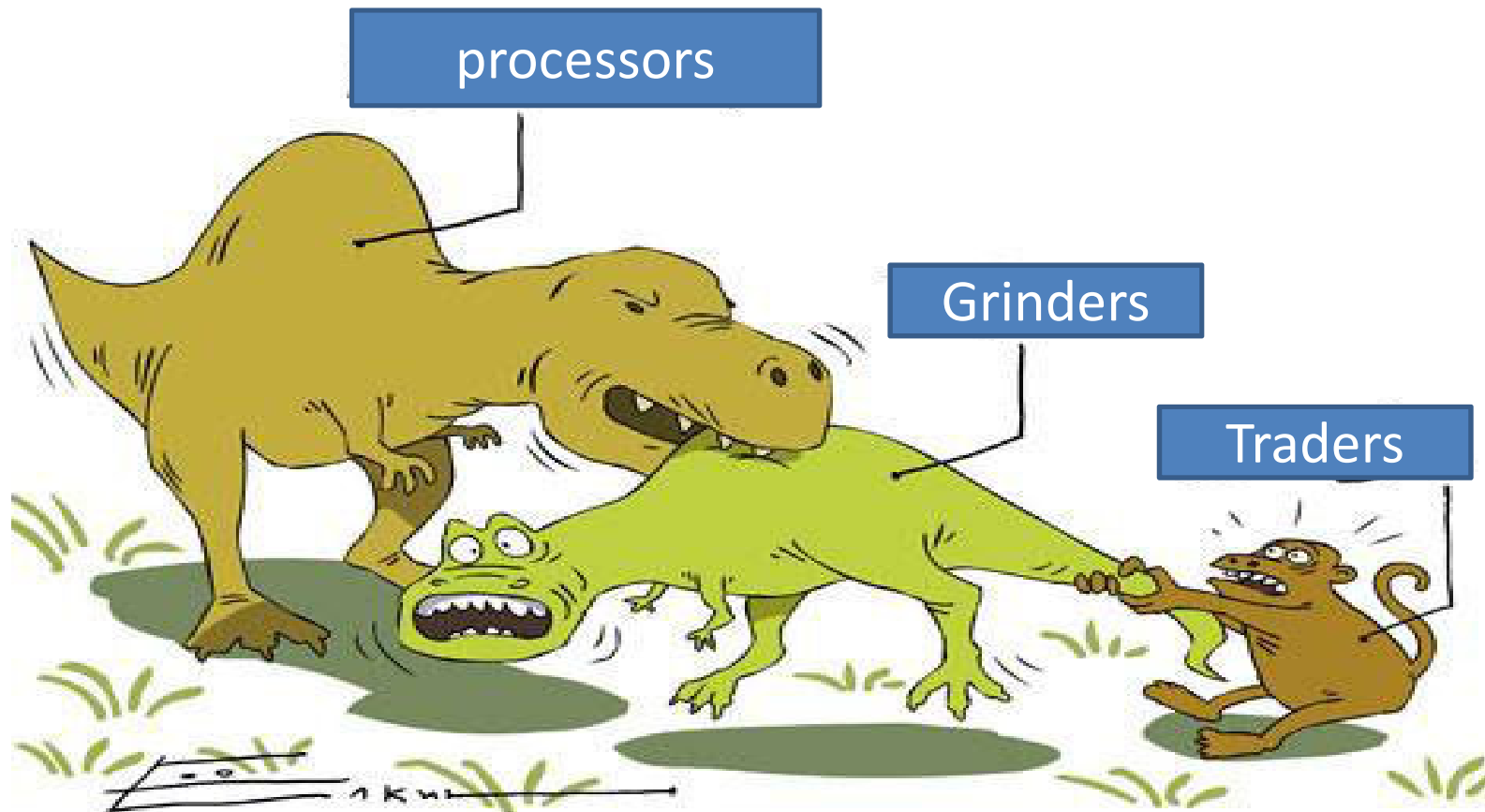
## 3. Social Challenges:

- Low farmer income (low productivity)
- Aging farmers (50 to 60yrs)
- Child labour





## Huge competition among companies due to low productivity and scarcity of cocoa beans





**US eats  
more  
chocolate by  
volume than  
any country**



**Europe still the  
largest  
chocolate  
market. Health  
becoming the  
major driver**



**A huge market  
developing in  
Mexico with 52%  
of the population  
under 20**



**In Brazil  
easter is a big  
business with  
100M eggs  
each year**

chocolate  
today

Source : KPMG  
report



Russia:  
Estimated  
market growth  
45% by 2016



Japan is the  
largest asian  
market



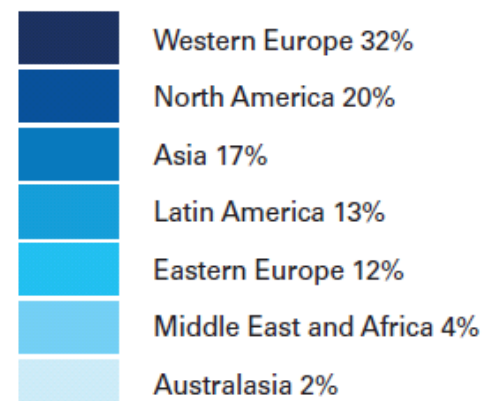
China: 40%  
chocolate sale  
increase since  
2009



India: Annual  
market  
growth of  
15%

MENA region:  
expected  
market growth  
of 61% by 2016

### Global market share by region, 2011



Source: Euromonitor



**In the next 40  
years, more food  
must be  
produced than  
so far in the  
history of  
mankind**





## Where we want to be in 2030

**Improve land use efficiency, by higher productivity  
(1000kg/ha min) and quality**

**Current  
farming  
system**

**3,5 million  
tons**

**6 to 8 million  
hectares**

**GAP  
Fertilizer  
Pest control  
Plant material**

**More intensive  
farming system**

**3,5 million tons**

**3-4 million  
hectares**



Building a sustainable cocoa economy =  
Create a win-win market situation

**Cocoa producing countries**



- Sustainable economic growth,
- Price stability,
- Full employment,
- External balance.

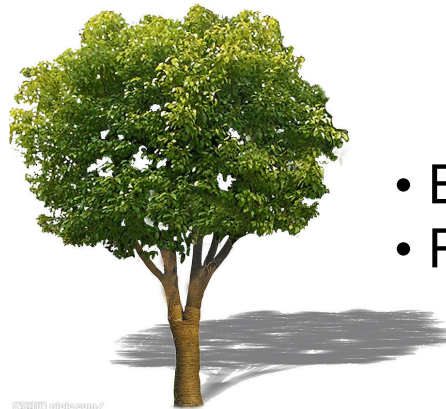


- Community welfare
- Profitability
- Food security

**Productivity  
Package**



- Secure long term supply
- Fertilizer business opportunity



- Environmental preservation
- Reducing crop pressure

# Thank you for your attention!



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