



Kraft Foods



gtz Partner for the Future Worldwide



Market-oriented promotion of certified sustainable cocoa production Côte d'Ivoire

A joint project of the private and public sector to promote sustainable cocoa production



Background

Côte d'Ivoire's economy depends mainly on agriculture with cocoa as the main cash crop. Farms are mainly owned by smallholder farmers and only a few are medium sized farms. The majority of cocoa farmers face a number of constraints including weak organisations, low productivity, pests and diseases, quality problems due to inadequate processing, poor infrastructure, and marketing. Deforestation in the cocoa producing areas is also contributing to increased micro and regional climatic changes leading to the problem of erratic rainfall patterns. All these problems tend to increase poverty levels among farmers and their families. The challenge is to improve sustainability in the cocoa production process in order to provide adequate economic benefits for the producers. This will result in a long-term sustainability of the cocoa sector.

To the private cocoa and chocolate sector cocoa production of Côte d'Ivoire is of strategic importance due to its overall production of more than 40% of world cocoa and the fact that Ivorian cocoa is a component for important blends and products. Because of this importance of Ivorian cocoa that is not likely to change in the near future, the private sector has a long-term interest in contributing to lasting structural and conceptual improvements in the sector to ensure sustainable and high quality production.

The project was launched in November 2005 and will run until March 2009.

Stakeholders

Kraft Foods has been working on sustainable agricultural production systems for several years. Cocoa production in Côte d'Ivoire is of strategic importance to the company. Hence, there is a long-term interest in contributing to lasting structural and conceptual improvements in the Ivorian cocoa sector to ensure sustainable and high quality production. Besides Kraft Foods, the cocoa exporting company Armajaro Ltd. will contribute to the outcomes of the project by taking care of the sourcing and handling of the certified cocoa.

Within the context of bilateral development assistance, USAID and GTZ have been involved in several initiatives in the country in the past. Together with the chocolate industry, USAID has launched two public-private alliances to improve cocoa production in West Africa.

GTZ has supported small-scale cocoa farmers in Eastern Côte d'Ivoire to improve their production systems for many years. The GTZ-project to combat abusive forms of child labour and child trafficking

offers additional linkages for project integration. Additionally, GTZ is involved in international discussions on sustainability in different commodity sectors (e.g. coffee, cotton) and cooperates with various private, public and civil stakeholders.

For the project coordination, E.D.E Consulting Hamburg has been contracted. Local extension services are provided by the National Agency for Rural Development (ANADER) and the Sustainable Tree Crops Program (STCP).

Objectives

The project objective is to improve small-scale producers' economic, ecological and social benefits by encouraging them to apply methods of sustainable agriculture according to an internationally accepted standard (Rainforest Alliance). It is expected to be achieved by way of an increase in income from the sale of certified sustainable cocoa, the improvement of social infrastructure and application of good agricultural practices in the production of cocoa and other crops. The project will demonstrate the re-orientation of mainstream cocoa production towards more sustainable practices by using a market-oriented, holistic approach. The farmers will follow the parameters developed during the ICCO (International Cocoa Organization) quality project to improve quality and ensure traceability.

Further objectives of the project are:

- More long-term security with regard to marketing and more stability in prices by medium-term contracts for certified cocoa with Kraft Foods
- Stabilisation of natural resources both on farm and at the regional level (e.g. soil fertility, water regime, rainforest conservation)
- Measures with regard to the elimination of abusive child labour will improve the reputation of the production areas and of Côte d'Ivoire in general on the world market

Two pilot regions within the 'cocoa belt' of Côte d'Ivoire with selected cooperatives have been chosen for implementing the project, namely the region of Daloa and the region of Abengourou.

Besides this local perspective, there is also a relevant strategic perspective. On a global scale, there have been ongoing discussions about the need and necessity to define sustainability in agricultural production because of its importance. For example, long-term decline in prices in many commodities, increasing pressure on natural resources, fluctuations in supply, prices considerations, and demand for more quality processed products by consumers. The cocoa sector, like many others, is confronted with these issues. In the case of coffee and cotton, a process of defining sustainability for the sector is already well advanced. In other sectors, including cocoa, it is only at the beginning stages. However, "best practices" where producers, private and public sector have taken joint responsibility to reorient or "mainstream" cocoa towards more sustainability on a large scale are rare. The initiative in Cote d'Ivoire, as the leading cocoa producing country, is therefore expected to have a major impact on the discussion about sustainability in the cocoa sector. Complementary measures such as those being implemented in Ecuador will add value to these issues.

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