



Le Conseil de Régulation, de Stabilisation et de Développement de la Filière Café-Cacao

REFORM OF THE COFFEE AND COCOA SUPPLY CHAINS

Côte d'Ivoire – The Ivorian Cocoa Reform 1 year On



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Outline

I- Introduction

1.1 Reminder of the objectives of the reform

1.2 Reminder of the strategic axes of the reform

II- Changes and Results

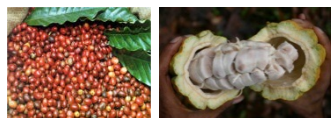
III- Challenges and Opportunities

3.1 Productivity

3.2 Community Development

3.3 PPPP

IV- Conclusions

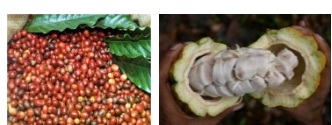




1.1 Objectives of the reform

This reform, initiated by the President of the Republic, was adopted by the Government on 2 November 2011. It has been implemented since October 2012 and aims to:

- Strengthen good governance and transparency in the management of resources;
- Develop a sustainable cocoa and coffee economy, through the reorganisation of the production, the improvement of the productivity and the fight against the worst forms of child labour;
- Secure the income of producers by establishing a minimum guaranteed price and by improving internal and external marketing strategies;
- Strengthen the cocoa value chain, based on credible farmer organisations.





1.2 Strategic Axes

The strategic axes of the reform are in line with the key components of the value chain, **from production to consumption**:

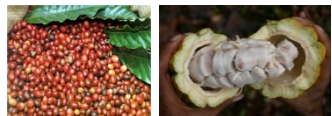
1. Improvement of internal and external marketing, characterized by:

- forward selling of a portion of the harvest;
- a guaranteed price to farmers equals to 60% of the CIF (Costs Insurance & Fret) price;
- product quality control and compliance with the guaranteed price at farm gate.

2. Promotion of a sustainable cocoa economy, with a focus on:

- improving productivity & quality at farm gate;
- the professionalization of famers;
- contribution to the fight against the worst forms of child labour (official structure: CNS);
- building basic socio-economic infrastructure for cocoa farmers and their communities (FIMR).

These strategic axes reflect our vision of sustainability: to make the sector prosperous and sustainable for present and future generations (notably for farmers).



II- Recap and Results



1. Unlike previous reforms, the 2011 reform takes into account **all aspects of the sustainable cocoa economy (farmers first)**.
2. The definition of a strategic development plan for the coffee and cocoa sectors with all the key public and private partners (**2QC, currently being implemented**).
3. The involvement and participation of the private sector to carry out actions on the ground for the sustainable development of the two supply chains (**operational PPPP**).
4. **We have successfully met the challenge of a stabilized price and quality of products:**
 - A good participation of the local and international operators to the forward sales (78 participants including 15 international);
 - Overall, the guaranteed price to farmers for the cocoa season is respected in all cocoa production areas (500 agents, in 13 CCC regional branches, to control the quality and price), all frauds have been prosecuted;
 - The quality of cocoa delivered in export factories fully complies with the norm GOOD Fermented. Mouldy is 3% on average with a maximum humidity rate of 8%.
 - All registered fraud cases have been prosecuted.



III - Challenges and Perspectives



3.1. Productivity Improvements

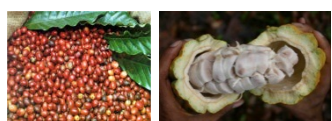
To increase productivity sustainably while preserving the environment

Key activities (global cost = more than \$ US 14,7 Million):

- Strengthening the Extension Service with the involvement of national structures (FIRCA et ANADER) in GAP training: (**\$ US 2 Million**);
- Building capacity of the National Research Centre (CNRA) on cocoa Swollen-shoot disease and for the production of improved planting material (high-yield hybrids seed gardens, grafting and clonal material) (**\$US 1,25 million**);
- Distribution of improved cocoa seeds for appr. 33.954 ha to appr. 28 000 producers (**\$ US 1,24 Million**);
- Distribution of agro chemicals: equivalent to **1 430 000 ha** of pesticides and **455 000 ha** of fungicides (**\$ US 10,2 Million**) ;
- Partnership with the private sector: Mars (V4C), Mondelez (Cocoalife), WCF (CLP et ACI).

Perspectives:

- Strengthen the above-mentioned activities through a 3 years Protocol involving the national structures to support the development of coffee and cocoa (**more than \$ US 35,5 Million**)
- Launching of the coffee sector rehabilitation program (**\$ US 16,7 Million**)
- Ongoing study on strategies for subsidising inputs including fertilizer.



3.2 Community Development



Challenge: To facilitate social changes, focusing on the improvement of the living conditions of farmers – through the development of socio-economic infrastructures (FIMR)

Following actions have been initiated (global costs = \$ US 32,14 Million for 2012-2013):

- Maintenance of rural roads (6 000 kms) cost: \$ US 24, 37 Million
- Education (13 schools, 4 canteens, 16 teacher accommodation) cost: \$ US 2,5 Million
- Health (4 health centres, 16 ambulances, medicines) cost: \$ US 1,63 Million
- Access to water in villages (318 pumps et 100 wells) cost: \$ US 2,33 Million
- Security (rehabilitation and equipment of 2 gendarmeries): \$ US 0,8 Million

Some of these actions are carried out through Public-Private Partnership:

- Partnership Conseil Café-Cacao, MARS and the beneficiaries: (**\$ US 3,1 Million** including \$ US 1.2 Millions from Mars);
- Partnership Conseil Café-Cacao and the World Bank (**PSAC**) (**\$US 16,19 Million including 8,6 Million** from the WB);
- **Financial Contribution from the Conseil du Café-Cacao to the National Action Plan against the worst forms of child labour (\$ US 1,14 Million).**



3.2 Community Development

Challenge: To facilitate social changes, focusing on the improvement of the living conditions of producers – through the development of socio-economic infrastructures (FIMR)

Perspectives:

- To widen the scope of partnerships (Private, NGO): Partnership Conseil Café-Cacao and CARGILL (in projects/ education): **(\$ US 1,9 Million)**;
- To extend FIMR activities: rural electrification (solar energy), security.



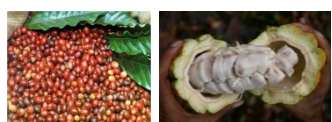
3.3 Public Private Partnership Platform (PPPP)

Challenge: Better coordinate the initiatives and projects in the sector, optimize the use of material, human and financial resources to tackle the issues of the supply chain.

Partnerships underway:

- **with MARS and the Beneficiaries:** V4C Project (\$ US 2.6 Million);
- **with MONDELEZ :** Cocoalife Project (\$ US 50 Million over 10 yrs)
- **with WCF :** CLP and ACI Projects (\$ US 9,05 Million);
- **with IDH :** Fertilizer Initiative, 10 000 T of fertilizers (600 000 Euros per season from 2013 to 2015);
- **MoU with Yamoussoukro district and NOVEL:** YAANOVEL Project (\$ US 200 Million over a 6 year period: 2013-2018)
- **Agreement between Ministry of Agriculture and the World Bank:** PSAC project (US 16,19 Million including 8,6 Million from the WB);

Partnership under discussion with Scandinavian chocolate manufacturers :
CISCI project (\$ US 5 Million)

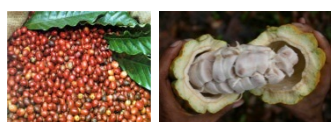




3.3 Public Private Partnership Platform

Perspectives:

- Update the national cocoa sector strategic Development Plan (2QC), with the participation of the private sector, NGOs and Technical and Financial Partners;
- Carry on the PPPP working groups activities.



IV- Conclusions



- Consolidate the results by pursuing efforts to improve the marketing system, the income of farmers and the accuracy of agricultural price previsions;
- Implement the rehabilitation of the coffee sector in the context of the diversification of producers' income ;
- Strengthen cooperation with all actors, through PPPP, to address issues related to productivity and to Community development.
- Develop and implement an effective strategy for subsidising inputs in the context of the increase of the productivity (higher-yielding seeds and plants, plant protection products, fertilizers, etc.);
- Achieve better control of production areas by the completion of an extensive monographic study (characterization and mapping of the orchards, identification and definition of the poverty profile of farmers, soil characterization, etc.);
- Mobilize necessary resources to meet identified challenges
- Coordinate initiatives on the ground to promote synergy of actions





Thank you!

