

The Vanuatu Cocoa Growers' Association: Inclusive Trade in Rural Smallholder Agriculture



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Inclusive growth in rural smallholders agriculture

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Abstract: The Cocoa Grower's Association (CGA) in the Republic of Vanuatu is a fundamental example of how the organization of local cooperatives can make a significant impact and create an environment for inclusive trade. This paper will review a case study of implementing a governing association that coordinates cocoa cooperatives in Vanuatu, and which is focused on organizing the production and trade in the region, as a method to highlight key lessons learned and potential for scalability in furthering inclusive trade goals. Though the CGA has many areas for improvement, which will be outlined in this case study alongside recommendations for additional progress, the concept can be used as a model for the expansion of inclusive trade worldwide using conglomerates of cooperatives in developing countries with similar environmental factors.

JEL Classification: L1, J5, N5

Key words: Local cooperatives, scalability, inclusive trade, cocoa, smallholder agriculture

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Key Findings

Using the CGA as a model for furthering inclusive trade by implementing large associations of cooperatives should be done with an understanding of the key strengths and weaknesses of the program in mind.

The creation of the CGA had several key strengths when measured against the objective of creating inclusive trade. Concentrating on smallholder farmers goes a long way towards ensuring inclusivity simply by “cutting out the middle man” and giving farmers access to a larger portion of the ultimate value of their produce. In addition, by harnessing what was formerly a secondary means of income and solidifying it as a more consistent market with a solid return on investment, the CGA expanded the suite of income options available to Ni-Vanuatu farmers and increased their resilience. Cocoa production is an existing activity that builds on local knowledge, and the CGA was able to improve upon this by providing a means for accessing education and sharing information between producers. Increased government deregulation also led to improved communications between growers, and the disbandment of the Vanuatu Commodities Marketing Board (VCMB), the local organization responsible for setting commodity prices and issue export licenses in the cocoa and copra industries, led to a reduction in corruption that allowed fair trade to flourish. Additionally, the CGA has several key weaknesses that could be addressed in future implementations of this structure. Foremost is the failure to promote gender equity. Though the CGA provided access to the market for cocoa growers, this access was limited, at least at the management levels, to males. Additionally, the lack of strategic planning that exists will be a central pain point for the CGA until resolved, and opportunities to strengthen this skill set must be provided for other similar associations. Also, the pursuit of organic certification must be considered as future organizations are designed to ensure that the highest level of economic benefit is derived. Finally, production issues (e.g., the age of the cocoa trees, low yield levels, and others) will need to be improved as the CGA moves forward and in any future iterations of this type of organization

The CGA as an Inclusive Trade Model

The Vanuatu CGA furthered the principles of inclusive trade in the region, taking disparate growers and cooperatives and creating a repository for knowledge and an opportunity for advancement. The organization of farmers and cooperatives leads to advancement in many different areas; in particular, the CGA's role in centralizing buying and selling from the cooperatives to distributors plays a key role in making trade more inclusive in the region. Offering people decent prices for their produce can help to support jobs, improving living conditions for producers, their families and the local businesses they buy from (Irving, 2010). The cooperative approach doesn't just mean increased leverage for agricultural producers in export price negotiations, either; collective bargaining can be an invaluable tool for workers to negotiate higher wages, benefits and better work conditions (Fairtrade International, 2012)

Table 1: Inclusive Trade Principles

Inclusive Trade Principle	CGA Design Factor / Key Finding	Recommendation for Improvement / Implementation
Increased incomes for local farmers	<ul style="list-style-type: none"> ▪ The association supported the growers in maximizing their return on already-existing agricultural production by creating volume ▪ The cooperative provided information on pricing across the world market, and took on the role of centralizing negotiating with middlemen – increasing the growers’ income by two times ▪ Access to cocoa seedlings allowed new producers the opportunity to start the venture with reduced costs to entry ▪ CGA trains farmers how to improve the quality of the seed for higher grade exports 	<ul style="list-style-type: none"> ▪ Continued improvement in communications between producers, the CGA, and regional/international organizations would assist with reducing price disparities and strengthening the selling position of growers ▪ Increased coordination between the VOCCA and CGA to increase organic production could lead to an overall increase in yields and income for farmers (McGregor, Chanel Watas, Tora, 2009) ▪ Improvements in the cooperatives’ infrastructure and tools would enhance the quality of the beans and result in higher prices for farmers
Job Creation and Training Opportunities	<ul style="list-style-type: none"> ▪ The CGA provides training on management and bookkeeping in the local language ▪ The association also trains growers on ways to improve the quality of beans and enhance the cooperatives’ management operations by saving and investing funds for tool and equipment upgrades 	<ul style="list-style-type: none"> ▪ Increased standardized and continuing education provided by the CGA could assist in creating higher yields and better negotiating tools ▪ The CGA could offer more resources and education on organic farming and certification processes
Gender Equality	<ul style="list-style-type: none"> ▪ The CGA did not actively exclude women from participation in cooperative leadership positions, but these positions were dominated by men, largely for cultural reasons 	<ul style="list-style-type: none"> ▪ The association should actively pursue female inclusion in the management of the CGA through recruiting efforts within the local communities, perhaps targeting female church leaders in particular
Geography and Scalability	<ul style="list-style-type: none"> ▪ The geography of Vanuatu has led to many issues with expanding the CGA beyond Malekula, as well as with coordination among the cooperatives and information sharing / com- 	<ul style="list-style-type: none"> ▪ The CGA should assess opportunities for nurturing cocoa production on islands other than Malekula, and for transportation of crops between islands ▪ Coordination between the government/Department of

	<p>munications</p> <ul style="list-style-type: none"> ▪ The vast number of islands to the relatively centralized cocoa market limits the amount of impact that the CGA can have in far-reaching areas of the country 	<p>Agriculture extension services and the CGA could be strengthened</p> <ul style="list-style-type: none"> ▪ The CGA could offer training programs on Malekula for future producers on neighboring islands, including sites visits as well as classroom courses ▪ The CGA could increase coordination on an international level (e.g., with the ICCO)
Increased Opportunities for Entrepreneurship	<ul style="list-style-type: none"> ▪ The CGA supports the small family farms in maintaining a lucrative crop without a need for seeking outside employment, especially by providing educational resources in record keeping and collective bargaining. 	<ul style="list-style-type: none"> ▪ The CGA could improve by reaching out to farmers in more remote areas. ▪ To date, CGA Manager Basile Malily has essentially been a “one man show” – providing all trainings for cooperative members himself, in addition to his regular management duties. A “train the trainers” approach could provide opportunities for outstanding cooperative members to take on more responsibility, especially in more remote areas.

Background

1. Cocoa Production Internationally

Cocoa is produced, traded and consumed in vast quantities across the globe. Cocoa is grown in tropical regions of the developing world in over 30 countries and supporting over 14 million people, and primarily consumed in the developed world. Around the world, 90% of cocoa is grown and harvested on small family farms of 4.8 hectares or less, while just 5% comes from plantations of 40 hectares or more (Fairtrade International, 2011). According to a paper commissioned by the ICCO, Cocoa is produced predominantly by smallholder farmers working on small farms of between 2 and 5 hectares (Eskes, 2011). According to the IC-CO Quarterly Bulletin of Cocoa Statistics in the first quarter of 2013, average cocoa production for 2001 through 2012 is estimated at over 4 million tons worldwide. Though improved consumption is a dimension of inclusive trade, it does not apply in this example given that most consumption is not domestic to Vanuatu and cannot be influenced by providing a higher level of supply from improved production.

2. The Republic of Vanuatu

The Republic of Vanuatu is comprised of 83 islands in the Southwest Pacific Ocean, and is home to roughly 260,000 people. The land mass of these islands amount to a grand total of 12,189 square kilometers, which is just slightly larger than the state of Connecticut in the United States, but are spread over a total area of approximately 375,000 square kilometers. The geography of the country creates incredible diversity with respect to language, culture and terrain.

Given the large distances between producers, and the overall mixture within the sector, there are myriad challenges that must be considered as they relate to crop production. Additionally, the low per capita population to land mass creates a need for high value crops. One prominent option in this sector for Vanuatu's farmers is cocoa.

3. Overview of Cocoa Production in Vanuatu

Cocoa production in Vanuatu can be traced back to approximately the 1870s, when a global collapse in cotton prices led British and French settlers to seek alternatives for their plantations. Over the ensuing decades, production increased steadily despite wildly fluctuating world prices because the cocoa crop proved to be incredibly well-adapted to Vanuatu's climate. The historical peak of the Vanuatu cocoa trade came about in the 1930s, during which time the total hectares planted exceeded 4,500 and total production from the more than sixty commercial plantations nationwide reached a yield of 2,700 metric tons (McGregor, Chanel Watas, Tora, 2009). In the decades that followed, Vanuatu's commercial growers increasingly turned away from cocoa and concentrated instead on copra and beef, leading cocoa production and yield levels to decrease steadily.

In 2012, 1,200 metric tons of cocoa were produced in Vanuatu, which has held relatively stable over the past 10-15 years. This total places the nation third behind Papua New Guin-

ea and Solomon Islands in terms of national cocoa production in the East Asia/Pacific region, which as a whole produces 18% of the world's cocoa (CTA, 2012).

Perhaps more notable than the shift in Vanuatu's total cocoa production levels over the years, is the significant shift that has taken place in production trends in terms of how cocoa is grown there. As the nation's large-scale commercial plantations decreased cocoa production overall, smallholder farmers increasingly embraced it, in large part because the crop is relatively space-efficient and intermingles easily with the coconut palms that dominate much of Vanuatu's landscape. For example, in 1983 approximately 39% of Vanuatu's commercial plantations were engaged in growing cocoa, a figure that had decreased to 20% by 2007. Meanwhile, the number of households actively tending cocoa plots more than doubled from 3,616 in 1992 to 8,484, which is roughly a quarter of the total households in the nation, in 2007 (VNSO, 2007).

The island of Malekula dominates Vanuatu's cocoa industry, accounting for more than two-thirds of total national output, though at 2,053 square kilometers, the island accounts for only approximately 17% of the country's total land mass. Of the 5,125 households that reported having sold cocoa beans within the past year in the 2007 Vanuatu Agricultural Census, 73% were located on Malekula. More than 93% of these households reported having completed the sale and transfer of the resulting cocoa crop on their own island, a statistic that reflects both the challenges and opportunities for inclusive trade in the sector (VNSO, 2007).

Enter the CGA

Until recently, the average Ni-Vanuatu farmer viewed cocoa as somewhat of a "side project," with the majority of the family's attention devoted to processing/selling copra and to the yams, manioc, taro, bananas, etc. grown for food. Time-permitting, the family would harvest and sun-dry small quantities of cocoa, which would then be sold to a passing ship, often for less than half of the product's market value. This is where the Cocoa Growers' Association of Vanuatu comes in: seeking to make better use of a well-established existing resource by creating volume and improving product quality levels.

The CGA was formed by the Project d'Organisation des Producteurs pour la Commercialisation Associative (POPACA) project, which ran from 2001 to 2006 with funding from France and the European Union. POPACA established over 25 cooperatives for cocoa bean production on Malekula and provided each with steel drum dryers and training to improve the quality of dried cocoa beans for export. Of the 25 cooperatives initiated by POPACA, community leaders of 19 cooperatives took ownership of the project, and their success led to a steady increase in membership: by 2009, the CGA had more than 1,200 farmer members. The CGA's first international export in 2006 was highly successful, and the Association sent 375 metric tons of quality dried cocoa to Singapore from 2006-2008. Continued growth in subsequent years led to an export total of over 240 metric tons in 2012.

The CGA acts as an umbrella organization for the cooperatives and provides many services to the cocoa farmers of Malekula. The CGA provides access to cocoa seedlings, training on

management and bookkeeping in the local language, provides advance payment and credit for the cooperatives and provides world market price information.

The CGA, functioning as a non-profit organization, effectively eliminates the middleman in cocoa export by buying the cooperatives' beans to export for a higher price than middlemen offer. The higher price nearly doubled the income for many cocoa producers, from an average sale price of roughly 70 vatu per kilogram to roughly 120 vatu per kilogram (as of 2009).

The CGA manages a revolving credit fund to provide advances to the cooperatives, and pay farmers for their cocoa beans "at the gate", when they need the money the most. The CGA also provides regular trainings on how improve the quality of beans and enhance the cooperatives' management operations by saving and investing funds for tool and equipment upgrades. The CGA acts as a constant support for the farmers and is a stable local institution for farmers to buy high quality seedlings, learn about world market prices, receive trainings on better farm and business management and receive higher prices for their higher quality cocoa beans.

The increased earnings made possible by the CGA had a dramatic impact on household expenditures for member families. Some of the most common expenditure items reported by CGA members include school fees, mobile phones, personal computers, improved diet and meal variety, clothing, medicines and hospital visits, and travel to visit distant family members or for educational opportunities in the capital. It may be difficult to believe that increased prices through the CGA could make such a difference, but a simple comparison between the average monthly household expenditure in Malampa Province (9,200 vatu) and the average value of a single sale of cocoa beans in the province (14,511 vatu) illustrates the potentially life-changing nature of these efforts (VNSO, 2007).

Challenges Faced By Farmers

In recent years, the Ni-Vanuatu cocoa grower has faced a variety of challenges with respect to cocoa production and therefore in producing a stable environment for truly inclusive trade, including: weather, transportation, input costs, lack of knowledge, disease, pricing information/gouging, quality control, The Vanuatu Commodities Marketing Board, access to credit, and gender roles. These challenges are relatively uniform throughout the vast country, and are also exceedingly common to other geographies where an association of cooperatives similar to the CGA may be considered for implementation. As such, below is a review of the issues and in the following sections the paper will outline how the CGA addressed each issue in turn.

Weather. When described in general, Vanuatu's climate is almost perfectly tailored to cocoa production, and is not prone to drought, unlike Africa's cocoa growing region. As the ICCO states: "Cocoa should be cultivated in the areas where it thrives best, i.e. areas with hot, moist climates, with average rainfall of between 1150mm and 2500mm, and a temperature range of 18°C to 32°C. Such areas lie along the equator in West Africa, Central and South America, and in Asia/Oceania." (ICCO, 2008).

However, Vanuatu faces more than its fair share of dangers: the United Nations University 2012 World Risk Report named Vanuatu the country at greatest risk for natural disaster internationally. Vanuatu is prone to volcanic eruptions, cyclones, tidal waves, frequent flooding of rivers during the rainy season, and many other threats to crop production. The impact of these disasters is magnified by the fact that more than 80% of Vanuatu's population consists of rural village dwellers. The dispersed nature of the population makes it difficult to provide emergency relief, and the developing economy results in the fact that many residents are without any means to save money for the inevitable costs of rebuilding due to natural disasters. These disasters also serve as a disincentive to investment in crop expansion and infrastructure. As such, the cocoa producers must have a central means of support similar to the CGA to go to when in need of assistance, in monetary, physical, or informational form.

Transportation. The aggregation of crops for collective bargaining and general distribution is a major challenge in creating a stable cocoa market. The island of Malekula essentially has two roads: one that follows the eastern shore of the island, and the other that traverses the island from East to West at its narrowest point, from Lakatoro to Unmet. The main road is unpaved and sporadically maintained, and is rendered impassable by the aforementioned common flooding of rivers. For those communities that do not have road access for all or part of the year, cargo ships or smaller vessels are an option, but the former do not appear on a predictable schedule, and the latter can be prohibitively expensive. The costs of this uncertainty are significant, as cocoa is prone to mildew and molding when left stored improperly for extended periods of time. The CGA provides access for the cocoa buyers in a central location, as well as a reliable place for cocoa growers to take their crop yields to sell. This is a vast improvement over the previous system of selling cocoa when possible to middlemen that pass through on an unpredictable basis.

Input Costs. Due to a combination of remote location, import tariffs (10% on most goods) and Value Added Tax (12.5%), foreign goods are often extremely costly in Vanuatu, especially for the residents of outer islands. Foreign goods that would make a significant difference for cocoa producers include: quality tools, pest control products, improved varieties and other agricultural inputs that Ni-Vanuatu farmers might otherwise use to increase productivity. These costs create a significant barrier to entry for the farmers, making it difficult for the small, family farms that are inclined to produce cocoa to undertake the endeavor and join the marketplace. The CGA addresses this point by providing the new cocoa farmers with access to the necessary tools and seedlings to start and maintain a cocoa crop.

Lack of knowledge. The lack of necessary knowledge regarding modern farming and processing techniques, as well as fundamental business practices to create a successful and sustainable farm plays a key role in the continuation and furtherance of cocoa production in Vanuatu. The main obstacles which prevent farmers from escaping the poverty trap and acquiring the necessary entrepreneurial skills are their lack of formal training in management capability coupled with their limited knowledge of improved production techniques (Eskes, 2011). This factor and the previously mentioned input costs conspire to keep Ni-Vanuatu farmers from maximizing their yields. The ICCO references that farmers should maintain records of the: site history; field layout; types and sources of planting materials; types of pesticides, fertilizers, and usage; and other items (ICCO, 2008). Low formal educational levels in general are at least partially to blame here, but geography also plays a role. With such a widely-dispersed population, it simply is not possible for extension agents from the Department of Agriculture or from agriculture-related NGOs to reach every community. It is not un-

common for farmers to ruin what could have been an excellent crop with incorrect fermentation or drying techniques. The CGA seeks to address the lack of knowledge, and to increase cocoa yields and quality as a result, through trainings and communication between growers.

Disease. According to David Guest, Professor of Plant Pathology at the University of Sydney, Australia, various diseases common to cocoa reduce worldwide yield up to 40% (Guest, 2012). The ICCO states: "Disease is one of the major reasons for loss of cocoa production in the world. Controlling it is therefore a key part of efficient management of a cocoa farm. To be able to better control diseases on their farms, growers need to be able to recognize the symptoms, understand the causes of the diseases and know how the disease organisms operate. (ICCO, 2008)" In Vanuatu, this problem is compounded by the fact that most farmers do not have immediate access to resources to address the impact of crop disease and/or insects on crops appropriately. The CGA provides information on combatting disease and pest control tools to cocoa producers to combat this issue. Members of the cooperatives are also given access to new seedlings and support during crises that are caused by widespread disease and pests.

Pricing Information/Gouging. On the island of Malekula, cell phone service was not extended beyond Lakatoro, the provincial capital, until 2008. This left the surrounding areas with very little in the way of coordination or information sharing. Before this communications breakthrough, farmers who sought to sell their product - whether on land or to a passing ship - had very little ability to evaluate whether the proposed price was fair because they could not compare with other producers in neighboring areas or on the international stage. Predictably, middlemen took advantage of this information asymmetry to the greatest extent possible. In some cases, the lack of predictability regarding cocoa sales opportunities results in bags sitting idle for long periods and suffering damage due to heat, humidity, mold or rats, a wasted effort that has a negative impact on confidence in the cocoa trade as a viable source of income. The CGA eliminates this issue for all farmers that bring their crops to the organization for sale by buying it, and paying the farmers at the time of the sale.

Quality Control. The crop that Ni-Vanuatu farmers are most familiar with, copra, is far less temperamental than cocoa when it comes to proper handling, storage and drying. In addition, years of being underpaid by middlemen regardless of the quality level of the crop have disincentivized producers to do anything other than process the product as quickly as possible so that it meets minimum standards, and sell it off at the first opportunity. Thus, when given the opportunity to earn significant price premiums for higher-quality product, farmers are often slow to take advantage, perhaps because they are skeptical that such price premiums will actually be realized. This concern is in part reduced by the centralization of sales through the CGA as mentioned in the paragraph above, and further through the educational efforts of the association. This problem is not a purely internal one, however: the incentive to improve product quality continues to be hampered by the fact that farmers know that if they taint a particular batch of beans in some way (with smoke damage, for instance), they can still sell them for a reduced price to a less reputable buyer.

The Vanuatu Commodities Marketing Board (VCMB). The VCMB was established in 1982 to set commodity prices and issue export licenses in the cocoa and copra industries. The production of kava was added later. This body was intended to promote quality, increase opportunities for local producers, and administer copra subsidies in order to lessen the impact of international price fluctuations. Years of legal battles and allegations of corrup-

tion, however, contributed to a general distrust in the Board, and when cocoa export opportunities were opened to the private sector once again several years ago, prices available to Ni-Vanuatu growers appreciated immediately. Additionally, the removal of the VCMB decreased corruption and improved the relevance and participation of the local industry in driving inclusive trade. More so than government spending on infrastructure or trade promotion, the decision to end the VCMB's monopoly on cocoa exporting benefitted the CGA and member farmers.

Access to Credit. A great many business opportunities in Vanuatu, especially on the outer islands, fall through due to lack of start-up capital. The CGA provides revolving credit for farmers, and by paying the producers at the time of the sale. Significant issues remain, however, particularly with regard to lack of collateral and high rates of repayment delinquency. Difficulty in obtaining credit has an especially acute impact on the ability of farmers to upgrade their tools and infrastructure – from steel drum wood-burning dryers to solar dryers, for instance.

Gender Roles. Typically in Vanuatu, the female head of the household undertakes the primary responsibilities for all chores and child rearing, as well as much of the manual labor on the farms. However, females generally do not have access to the same benefits of education or control over the farms finances. This issue is common to other localities, and reasoning behind women's lack of participation include: traditional patriarchal relations, which discriminate against women, and women's unwillingness to seek leaderships roles due to their busy schedule that includes household duties that make attending frequent lengthy meetings difficult (University of Wisconsin, 2011). The CGA has yet to tackle this problem fully, but could improve in this area through increased focus on nurturing female board members. Another approach to increasing female participation could be to reach out to church groups in cooperative communities. Religious activity is one arena in which women have often been able to carve out a significant role in Vanuatu, and churches are probably the most well-organized and networked organizations in the country.

How Inclusive Has the CGA Been?

The nature of the cocoa industry in Vanuatu lends a certain amount of built-in inclusivity to any efforts in the sector. As has already been pointed out, this sector is dominated not by large commercial plantations, but by family farms. In buying directly from the farmers themselves, the CGA ensures that the benefits of better prices for cocoa exports accrue directly to member households, which in turn reduces barriers to entry and creates opportunity for all farmers – regardless of the size of their farm. This creates an open market for growers, and in the case of commercial farms, for farm employees. Membership is open to all farmers who are interested in joining the organization and willing to abide by its rules of organization and operation.

Though agricultural activity in Vanuatu is a full-family affair, and the financial benefits of membership in the CGA are enjoyed by the whole family, gender equity is one significant area of concern for the CGA when it comes to inclusivity. Very few leadership positions in

Malekula's 19 cooperatives are held by women (only one, in fact, as of 2010), and men are far more likely to control the distribution of family income.

Lessons Learned

Having a central body for coordinating cooperatives of agriculture products assists with inclusive trade by creating a market from what was simply a dispersed number of cocoa producers. This market is able to provide increased incomes, job creation, knowledge sharing, and sustained growth in the region. However, the lack of gender equality in leadership roles must be addressed. One of the key deficiencies of gender equality in fair trade is the lack of participation by women in the fair trade coffee cooperative organizations (University of Wisconsin, 2011). Further, the benefits of the CGA are currently somewhat localized, and could have a more widespread impact if neighboring islands were to be recruited and nurtured into the organization and cocoa production in general.

Using the CGA as a Model

The CGA approach could be templated and used in various other countries, especially those within East Asia and the South Pacific. Throughout this region, producers in various sectors struggle to break the cycle of low education/effort, low quality, and a low rate of return. The geographic features that account for challenges faced by Vanuatu's farmers are also shared by their counterparts throughout most of the region, many of whom also operate small-scale family farms both for personal sustenance and for income purposes. A critical element to the success of the CGA in Vanuatu was the community buy-in that came from quickly acquired results through the participation of such a high percentage of the cocoa cooperatives. Without close coordination in the initial implementation, it may have been difficult to maintain momentum. Additionally, localized knowledge and relationships were crucial – without the leadership and deep connections of CGA Manager Basile Malily, it extremely doubtful that the CGA could have accomplished nearly as much as it has.

The example provides a blueprint for other cooperative enterprises in the region, which can be simplified thusly:

1. Organization of member cooperatives, which brings immediate price improvements by virtue of volume and information sharing.
2. Investment in improved infrastructure, tools and training leads to further price improvements as a result of increased product quality.
3. A virtuous cycle is established whereby membership grows, members expand and improve their plantings and harvesting/processing methods, and the cooperative organization's reputation for quality makes for more and better export options.

Establishing this virtuous cycle takes time, and doing so cannot eliminate all of the challenges facing farmers in East Asia and the Pacific (vulnerability to natural disasters, for instance). It requires substantial investment, deep local knowledge, and a long-term commitment. But as the CGA has demonstrated in Vanuatu, the potential rewards are immense and directly accessible by rural families, not just a select few traders.

Scalability

Certain aspects of the CGA concept are absolutely applicable not only to similar organizations in different locations, but to larger-scale organizations as well. The primary focus should be on selecting a crop that can be successfully be produced by a wide range of people in the current environment with limited tools and support. The association should then focus on reducing barriers to entry, such as start-up capital, and factors that influence sustainability, such as lack of knowledge or tools. However, it should be noted that scalability was challenged in Vanuatu given the current state of the infrastructure and geography. World cocoa production increased steadily from ca. 1.5 million metric tonnes in 1983-84 to a peak of ca. 3.8 million metric tonnes in 2005-06. This significant increase was almost entirely due to an expansion of production area, which is not a sustainable method of increase in Vanuatu due to the country's geography (Eskes, 2011). Prices for organic cocoa are significantly higher than for other production methods, and a switch of even a portion of the production methods and an increased certification by the VOCCA would yield an increase in come levels without an increase in production geography. Additionally, relationships between associations and international organizations should be considered (e.g., the CGA and the ICCO).

Conclusion

There are many opportunities not only to apply the lessons learned through the creation of the CGA, but also to improve upon the organizational design. The CGA has proven to be such an impactful and inclusive organization because it addresses a well-established and well-known agricultural activity, and delivers a larger percentage of the final value of the product to its producers by cutting out predatory middlemen, establishing volume, and improving product quality. That said, room for improvement remains with regards to inclusiveness, particularly when it comes to involving women (who play a prominent role in the labor involved) in the leadership roles and decision-making processes of individual cooperatives. On a government policy level, the fact that the CGA's efforts were made possible only when the VCMB's monopoly on cocoa exports came to an end is a demonstration of the exclusive nature of tightly controlled markets.

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