

# LWR & QUALITY COCOA



## BACKGROUND: SMALLHOLDER COCOA PRODUCTION STRUGGLES TO FEED PRODUCERS AND MEET GLOBAL DEMAND

Almost 90 percent of the world's cocoa originates from smallholder producers farming less than five hectares of land.\* Farmers face considerable challenges to maximize their yields, including changing weather patterns, disease, aging trees and limited access to improved varieties, inputs and technical assistance. As a result they are earning on average less than 10 percent of the international price per pound. Yet as global demand for cocoa outpaces supply, there are opportunities for smallholder farmers to benefit from increased incomes through improved cocoa production and sustainability.

## LWR'S APPROACH: CLIMATE-SMART AGRICULTURAL VALUE CHAINS

Seventy percent of the world's cocoa is grown in West Africa; however, Lutheran World Relief (LWR) has chosen to support improved livelihoods of smallholder farmers in new cocoa supply chains and markets in Latin America, the Caribbean and Asia by optimizing current and future

opportunities. With more than a decade of experience in cocoa, LWR uses a climate-smart agricultural value chain approach to improve **access to inputs, technical resources and capacity, post-harvest processing** and **export market access**. We promote gender and age integration in cooperative membership and leadership, and encourage the use of agroforestry in the management of cocoa crops. In doing so, farmers produce more while preserving the land's fertility and biodiversity for future generations, fulfilling the **triple bottom line of people, profit and planet**. LWR's investments **leverage private sector support**, as well as government and foundation grants, to expand LWR's impact in the cocoa sector.

### Access to Inputs

Access to inputs is critical to producers' success. LWR supports cocoa farmers to access inputs through their cooperatives and associations at wholesale prices and through the creation of nurseries. Cooperatives' internal credit systems also allow farmers to access necessary inputs for their production.

\* *Saving Fine Chocolate: Equity, Productivity, and Quality in Cocoa Co-ops* by Ted Weihe, June 2015



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## PROGRAM HIGHLIGHT: THE PHILIPPINES



*Brigita Bajinting demonstrates the grafting technique she learned as part of LWR training in her community.*

LWR partnered with the Cacao Industry Development Association of Mindanao, Inc. to help farmers in the Philippines – who struggle to feed their families with food crops alone – diversify their incomes by growing high-quality cacao.

Through this project, LWR supported 910 farmers with training and tools to introduce or improve cacao production. As a result, farmers with existing cacao crops increased their income by 20 percent or more over the life of the project. In addition, the project trained farmers on vital post-harvest techniques and supported the installation of new cacao processing facilities, including solar cacao drying ovens to help farmers attain improved cacao quality and better prices.

## PROGRAM HIGHLIGHT: CENTRAL AMERICA



*In Nicaragua, cocoa producer Juan Jose Canales uses his smartphone to take and send photos of his crops to other farmers and local experts who will provide technical assistance on how to care for and improve his cocoa.*

With the use of ICT (Information and Communications Technology), Lutheran World Relief is connecting 5,000 smallholder cocoa farmers in El Salvador, Honduras, and Nicaragua with useful technical and market information. With this project, farmers will use this digital technology to access LWR's comprehensive Cocoa Toolkit to improve their productivity and their livelihoods, their ability to exchange information, and their ability to participate in constructive public sector policy discussions. The toolkit contains information on biodiversity, conservation, certifications, quality, and marketing. It may be downloaded free by visiting [programs.lwr.org/cocoatoolkit](http://programs.lwr.org/cocoatoolkit).

### Technical Resources, Capacity and Quality

LWR promotes environmentally responsible cocoa crop husbandry in its technical and extension support. Our focus on agroforestry systems offers reforestation, shade management, disease control, and climate change adaptation solutions, while encouraging farmers to intersperse food crops with cocoa plants for increased food security. Producers reap the benefits of increased yields and healthy soil and trees. LWR works with farmers to improve post-harvest processing with better fermentation, drying and infrastructure to improve cocoa quality.

### Export Market Access and Strategic Alliances

LWR promotes producer engagement with international markets by supporting smallholder farmers' efforts to secure third-party certifications including Fair Trade, Rainforest Alliance, UTZ Certified, 4C, and others that promote transparency and quality improvement and that attract buyers. Strategic alliances with key industry players like RITTER SPORT and ECOM Agroindustrial Corp. Ltd. have been developed to benefit cocoa farmers' sales and incomes. We link producers to organizations that provide technical expertise and assistance to improve quality such as The Hershey Company and CATIE (Centro Agronómico Tropical de Investigación y Enseñanza), among others. LWR has leveraged relationships to convene national-level cocoa fora in a number of countries and promoted cocoa quality through competitions using Cocoa of Excellence's standards.

### LOOKING AHEAD: SUSTAINABLE COCOA FARMING

LWR remains committed to increasing cocoa producers' ability to both supply a global market and put food on their own tables. Our innovative programs aim to utilize renewable energy sources for cocoa production and processing as a means to improve smallholder farmers' lives and mitigate negative environmental impacts of agricultural production.

