

Vanuatu Government

Department of Industry

Vanuatu Cocoa Industry Chain and Strategy

Contacts:

Mr. Noel **KALO** - nkalo@vanuatu.gov.vu

Department of Industry, Port Vila -Vanuatu

Mr. Wesley Wensie **NAKI** – wwnaki@vanuatu.gov.vu

Department of Industry , Port Vila - Vanuatu

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1. **Vanuatu Cocoa Industry**
 - ▶ Vanuatu ACAIR/PARDI/SPC engagement
 - ▶ Cocoa Cluster Development approach
 - ▶ Cocoa Production (per Island)
 2. **Vanuatu Cocoa Industry Chain**
 - ▶ Vanuatu Cocoa supply chain
 - ▶ Key Challenges face by the cocoa sector
 - ▶ Strategies develop to address key challenges faced
 3. **Vanuatu Cocoa Market Structure**
 - ▶ Conventional Markets
 - ▶ Premium Markets
 - ▶ Cocoa Chocolate Markets
 - ▶ Export Market Value

Vanuatu(Department of Industry) PARDI engagement

▶ To enhance staff Capabilities Building

▶ DoI Projects Engaged;

Project	Description	Status	Funding
1. Cocoa PRA	Facilitating Improved livelihoods for Pacific Cocoa Producer Networks Through Premium Market Access	Ongoing 2011 - 2013	PARDI - SPC
2. Tamarind PRA	Improving processing and marketing to improve the Tamarind value chain in Vanuatu	Ongoing 2011 - 2014	PARDI
3. Whitewood PRA	Enhancing management and processing systems for value-adding in plantation-grown whitewood in Vanuatu	Ongoing - DoI engagement June 2013	ACIAR - PARDI
4. Cattle PRA	Requesting ACIAR's Live stock Sectoral Technical and Financial Support towards developing Vanuatu's Smallholder Cattle Industry through research and development initiatives	Under negotiation – request by the Van Gov	ACIAR

Vanuatu Cocoa Industry

illustration of a Cocoa Cluster development approach

Value Added
Scale

Policy & legislative framework

- National Development Strategy, Governance, Economic Sectors' Policies; Macroeconomic Policies; Banking and Financial Regulations and Policies, Trade Policies, Commercial and Market Regulations; Land Regulations, IPR, Investment Regulations, Local Governance

Low

Economic Sector:

Primary Sector

Agriculture
Crop Production
Infrastructure

Secondary Sector

Manufacturing
Services

Trade Sector

Wholesale and retail
Foreign Trade
Domestic Trade

Production/Value Chain

Cocoa



Cocoa Beans



Cocoa Butter



High-end
Cocoa based
products: eg
chocolated,
Drinks, caddies
or waste
products

Supporting Services

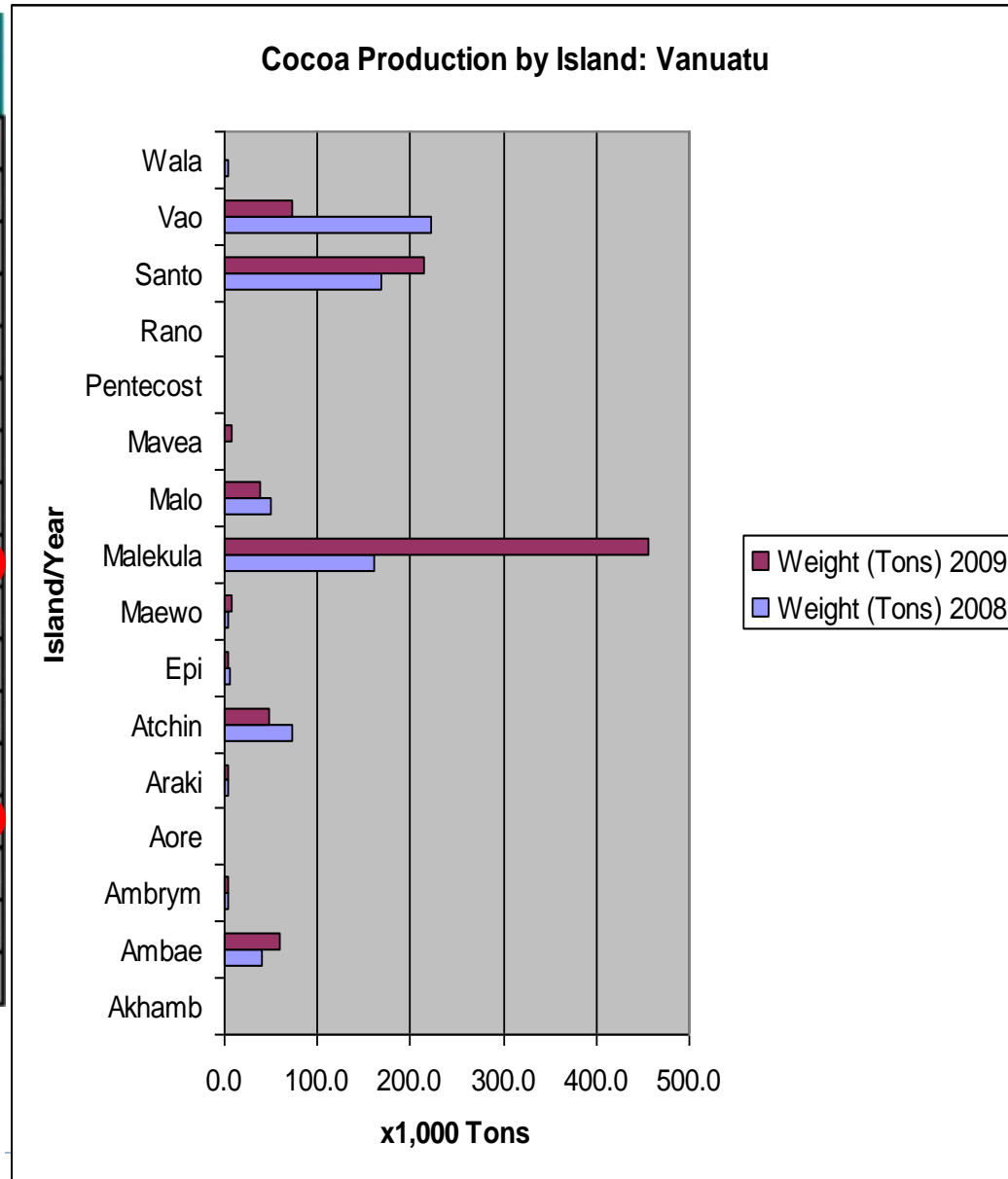
Agricultural inputs and technology
Crop development & management
Post harvesting & Storage
Energy
Shipping & transport
Banking & Finance
Administrative & management services
Legal Services
Education & training
Research & Development
Product & brand Development
Marketing & promotion

High

Cocoa Production by Island in Vanuatu (2009)

Cocoa Production By Island: Vanuatu 2009

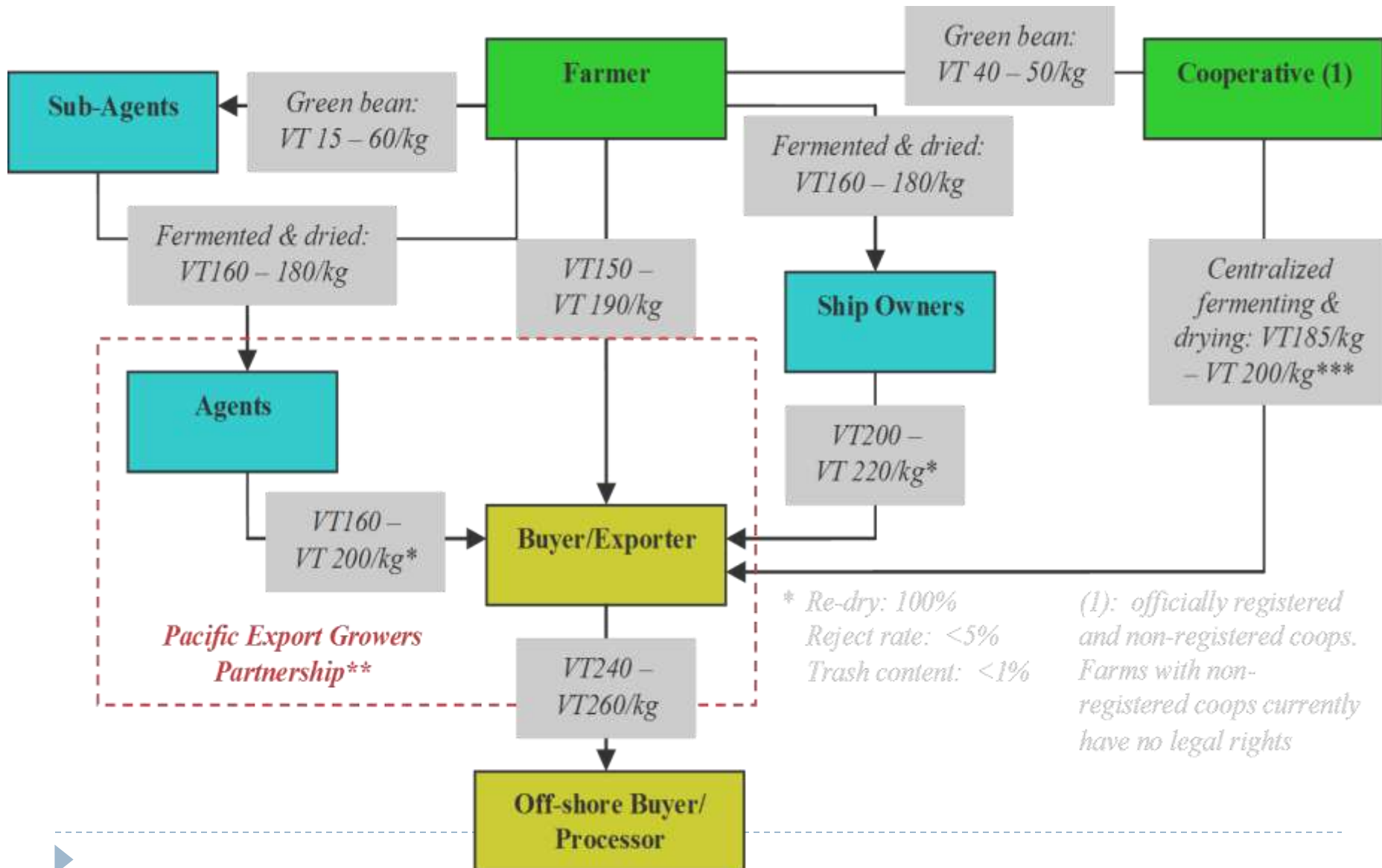
Akhamb	Tons	% of Total
Ambae	60.1	6.5%
Ambrym	3.4	0.4%
Aore	2.0	0.2%
Araki	3.6	0.4%
Atchin	48.5	5.3%
Epi	3.5	0.4%
Maewo	8.2	0.9%
Malekula	456.8	49.5%
Malo	38.9	4.2%
Mavea	8.1	0.9%
Pentecost	2.2	0.2%
Rano	0.4	0.0%
Santo	213.8	23.2%
Vao	73.3	7.9%
Wala	0.0	0.0%
Total	922.8	100.0%



High concentration of production in Malekula and Santo

Vanuatu Cocoa Industry Chain

Supply Chain Map for Cocoa Production in Vanuatu



Key challenges facing cocoa sector in Vanuatu

1. Old plant stock
2. No replanting program to replace old stock
3. Poor on-farm management resulting in high bean lose rate from rat infection and black pot
4. Poor quality of cocoa beans due to poor processing techniques used
 1. Impact of pod maturity on fermentation and cocoa quality
 2. Alternative fermentation method using fermentation box
 3. Drying cocoa beans using an improved solar dryer
5. Limited structure to organized farmers (CGA in Malekula Island, ACTIV Epi, Malekula)

Vanuatu cocoa Industry strategies

▶ Summary of the Cocoa Development Program “2010-2014”

▶ To double the current production (1.000 to 2.000 tons), through:

- ▶ Rehabilitation programme implemented on 500 Ha during 5 years time (rat & black pod control).
- ▶ Planting programme covering 250 Ha during 5 years time (dissemination of improved planting material, establishment of nurseries).
- ▶ Establishment of 5 Nucleus Farms.

▶ To improve the overall quality of the cocoa, through:

- ▶ Improvement of processing infrastructure
- ▶ Training of processors.
- ▶ Enforcement of quality standards.

▶ To develop market outlets which could offer optimum return/revenue for farmers and the industry, through:

- ▶ Linkage producers/buyers/exporters.
- ▶ Encourage/facilitate market competition and review of VCMB.
- ▶ Development of a Vanuatu Label of Quality (*Appellation d'Origine Contrôlée*).
- ▶ Establishment of a Development Fund for cocoa industry.

▶ To organize & co-ordinate the stakeholders of the sector: Creation of the Vanuatu “Cocoa Forum”, promoting the best interests of the Cocoa Industry.

▶ To promote sustainable farming system (Agro-forestry techniques of production, Organic certification, Fair-trade certification, product of origin, etc.).

▶ Stakeholders of the Cocoa Industry will contribute as follow:

- ▶ Private entrepreneur (Nucleus Farm, 19%): Technical Assistance, equipment, labour, Processing Units.
- ▶ Small holder farmers (19%): tools, seeds, planter bags, labour/planting.
- ▶ Government, including Donor support (63%): subsidy for TA & equipment.

Improving Cocoa Quality Beans



1. Improve cocoa post harvest handling to make sure that selective beans are of quality for fermentation



5. Install proper cocoa testing equipments to test for quality cocoa beans contains for specific markets



6. Proper packing, storage and labeling is needed to keep cocoa quality beans for cocoa trading



2. Promote standardized fermentation process that result high quality cocoa beans



3. Cocoa beans processed must be of high quality to meet the market requirements



4. Promoting cocoa quality beans through sun drying method

Improving cocoa testing equipments for export trade



Percentage testing for cocoa fat - percentage 45 - 58 required for cocoa fat



Cocoa fat extraction - testing require to extract cocoa fat from the cocoa beans



Cut test - Color, Mould, & insect infection



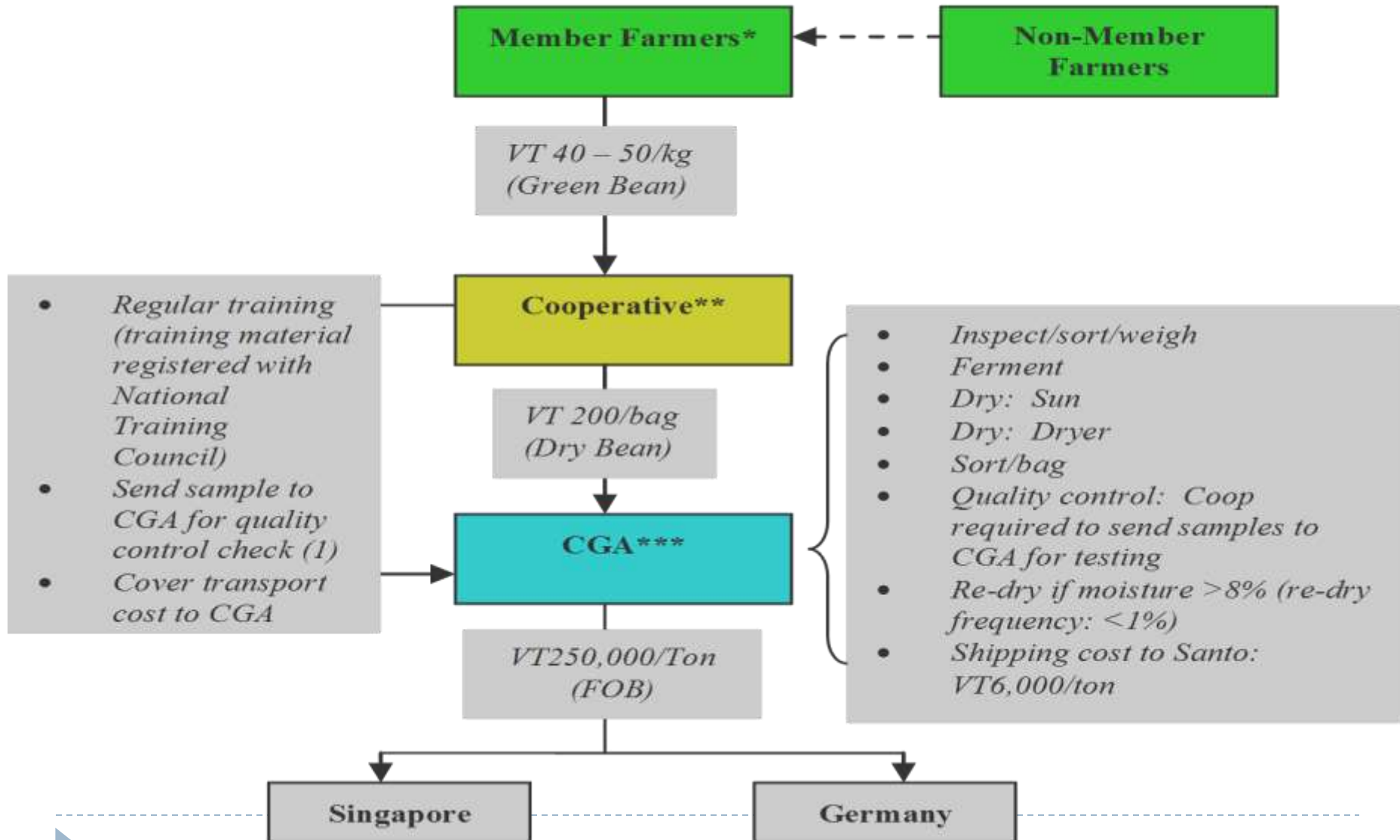
pH and moisture testing—cocoa pH testing falls between 4.5—5.5, moisture test-



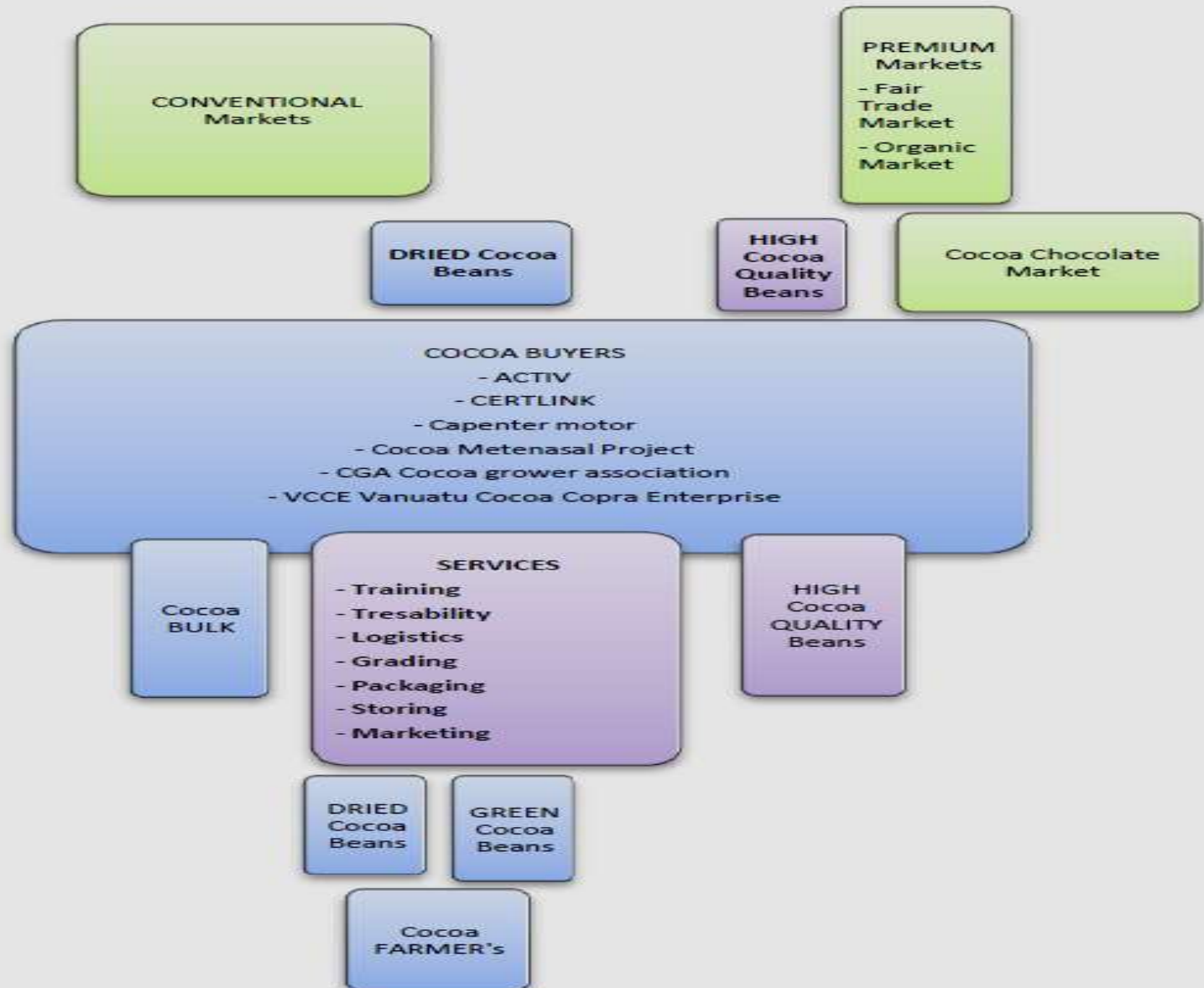
Cocoa beans count - Average (world) 93 beans = 100g, if more than 100g beans fat con-

Vanuatu Cocoa Cooperative model

Cocoa Grower's Association (CGA)

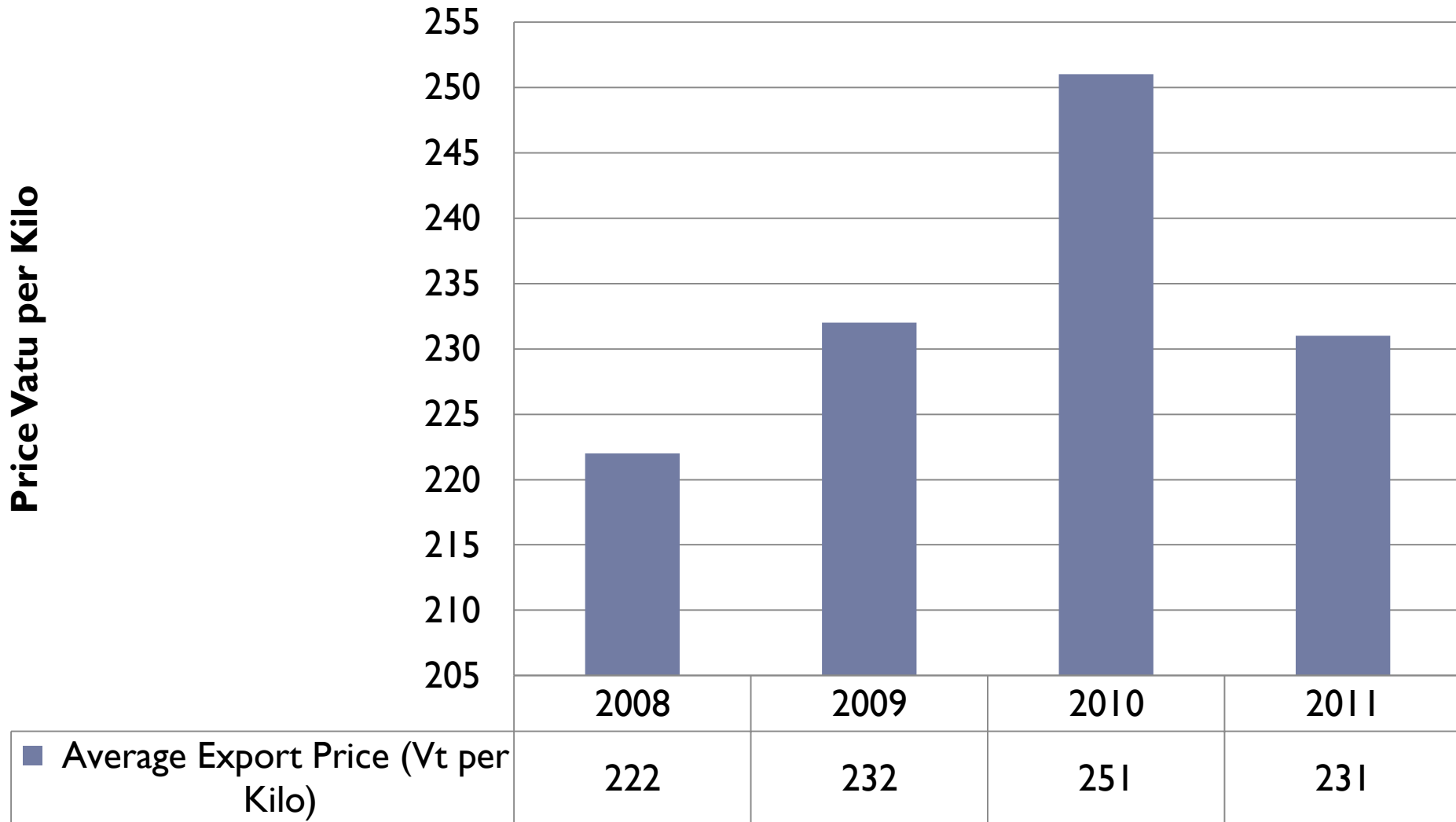


Vanuatu cocoa market structure



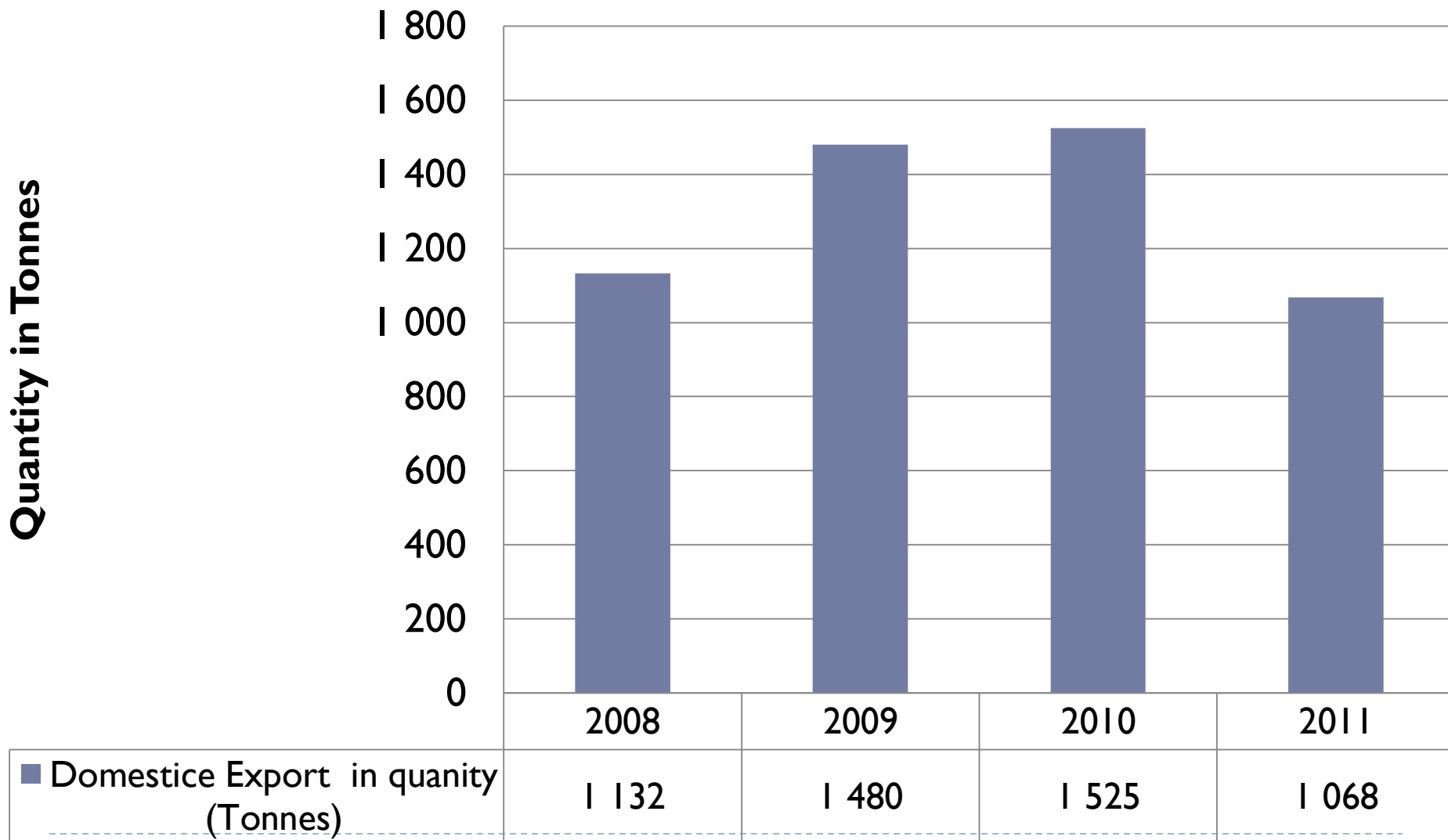
Average export price

Average Export Price (Vt per Kilo) 2008 - 2011



Domestic export in quantity

Domestic Export in quantity (Tonnes) 2008 - 2011



Thank you for your understanding

Any Questions

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