

[Home](#)[Dimensions of rural poverty](#)[Region & country](#)[Listen to the voices of...](#)[Learning & adapting](#)[IFAD](#)[Glossary](#)[What's new](#)[Sao Tome and Principe overview](#)[Government](#)[Approaches policies and strategies](#)[Projects and programmes](#)[Listen to the voices of...](#)[Resources](#)[Statistics](#)[IFAD in Sao Tome and Principe](#)

Organic and fair trade production revitalize cocoa industry in São Tome and Principe

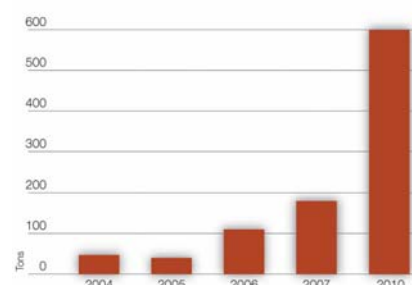
More than a decade ago, cocoa producers in Sao Tome and Principe were suffering because of falling global prices for cocoa. Many of them abandoned their cocoa plantations, while others cut down the trees to clear land for maize or other crops. Thanks to IFAD and its partners, nearly 2,200 farmers are now growing cocoa certified as organic or fair-trade for the international chocolate industry.

As a result of the international cocoa price crash of 1998, producers lost faith in cocoa as a source of income. A national politician even announced "the end of the cocoa industry in Sao Tome and Principe".



At the turn of the millennium, IFAD asked Kaoka, a leading French organic chocolate producer, to undertake a quick assessment of the country's cocoa sector. The assessment concluded that the rich genetic origin of Sao Tome cocoa varieties could produce superior aromatic cocoa beans that would fetch higher and more stable prices than ordinary cocoa. The study also found that traditional farming methods could be adapted easily to organic production. By combining organic production and fair trade principles, cocoa farmers could greatly boost their income.

Production of organic cocoa (tons), 2004-2010:



In late 2000 IFAD launched a three-year pilot project involving 500 farmers in 11 communities. Kaoka agreed to supervise the project and to purchase all the certified organic cocoa that the farmers could produce. Farmers received technical advice and extension services from Kaoka through the IFAD-funded Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme (PAPAFPA) to help them make the transition from producing medium-quality to high-quality cocoa beans that are fermented and dried. They learned how to use solar cocoa dryers and storage facilities to limit spoilage of the cocoa beans once they are harvested. While a local research station endorsed the cocoa's aromatic qualities, an international certifier began the process of certifying that the cocoa was organic.

Communities take charge

Number of small-scale producers delivering dried organic cocoa beans, 2004-2010:

[العربية](#) | [English](#) | [français](#) | [español](#)

More stories

- [Browse the entire collection...](#)

Hot links

- [PDF Version- English.pdf Sao Tome](#)
- [PDF Version- Spanish.pdf Sao Tome](#)
- [PDF version - French.pdf](#)
- [PDF Version- Arabic.pdf Sao Tome](#)
- [IFAD operations in Sao Tome and Principe](#)
- [Rural poverty in Sao Tome and Principe](#)
- [Stories from the field](#)
- [Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme](#)

Contact Information

Helder Pinto

Director

papafpa@papafpa-stp.org

Andrea Serpagli

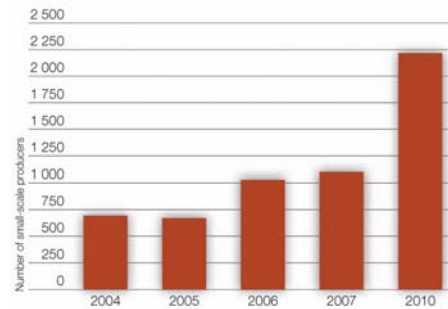
Cassava Coordinator,
Country Programme
Manager

Via Paolo di Dono, 44
Rome, Italy

Work: +39 0654592859

Fax: +39 0654593859

a.serpagli@ifad.org



The organic cocoa programme is now a dynamic multi-stakeholder partnership led by the government and supported by IFAD under PAPAFA. Before the programme activities began in 2004, about 700 farmers were producing and locally trading just 50 tons of cocoa beans. By mid 2010, nearly 2,200 farmers were directly exporting about 600 tons of organic and fair trade certified beans.

At the start, the project encouraged smallholder cocoa producers to resume cultivating their trees, and helped communities organize into associations to manage the harvest, processing and drying of the cocoa beans. PAPAFA constructed infrastructure in each community to enable producers to collect, weigh, ferment and dry the beans for export.

Local NGOs and Kaoka provided technical advice and assistance regarding organic cocoa regulations and production techniques. They helped conduct research, quality control and export, and provided planting materials. The project helped representatives of community associations form the Cooperative for Export and Market of Organic Cocoa (CECAB) to coordinate commercial activities. In 2005 CECAB signed a five-year contract with Kaoka to supply organic cocoa.

Following this positive example, PAPAFA organized 430 cocoa growers based in a geographic area not covered by the Kaoka experience into 11 producer associations and one export cooperative (Cooperative for Export and Market of Quality Cocoa), to trade fair trade, certified cocoa beans. This time CaféDirect, an English private operator, worked with PAPAFA to provide technical and commercial support to local cocoa growers. In early 2010 CaféDirect exported their first consignment of 8 tons of cocoa beans.

Addressing needs and challenges

The transition from the traditional to the new way of growing and trading cocoa has not been easy for local producers. Eventually a system was developed, and the associations paid a supplement to producers during the probation period to keep them on track. Once it has been certified that organic criteria and fair trade standards have been met, the cocoa can be labelled 'organic/fair trade' cocoa, and buyers (Kaoka or CaféDirect) can guarantee payment of both organic- and fair trade-related premiums above the market price. Producers operating through PAPAFA can now sell their dry cocoa for about double the price they used to get for fresh cocoa from local buyers.

PAPAFA is among the few development projects in Sao Tome currently working with local communities, including those on the relatively remote island of Principe, where the programme began to expand its activities in 2007. PAPAFA provides producers with a forum where they can make their needs known. These collective needs can then be communicated to the Fundo de Infraestruturas Comunitarias, (FIC), the community infrastructure arm of the programme, which has a mandate to identify and prioritize economic, social and cultural needs. The FIC also provides training in labour-saving and environmentally friendly technologies, including the use of alternative, renewable sources of energy.

Current constraints include decreasing yields as a result of climatic change, such as more frequent droughts, which increase demand for irrigation infrastructure. The FIC is currently addressing this issue, along with communities' requests for shops, health facilities

and credit.

Higher incomes, better lives

Smallholder families participating in the programme have seen their yearly income increase, on average, from a level of 25 per cent below the poverty line to 8 per cent above it.



Many producers have invested in home improvements and items such as bicycles, generators, radios, refrigerators and television sets. One particularly successful producer used the profit from organic cocoa production to set up a small roadside shop that his wife runs, generating even greater profit.

At the same time, producer associations are investing extra income in community infrastructure such as primary health-care facilities, better sanitation and small health schemes. The schemes give smallholder families access to medicines that would otherwise be expensive and scarce, particularly for those living in remote communities. The associations also serve to further consolidate producers' trust in commercial relationships with buyers.

Another positive aspect of the programme is that local organic or fair trade cocoa producers now have a single buyer for all their produce. Previously they were at the mercy of national buyers, who were not always interested in buying fresh beans and who often formed a cartel to fix the purchasing price among themselves. Producers also appreciate the two-payment system, whereby the primary association pays them an advance on the fresh beans and the remaining balance on sale of the product to the export cooperative (CECAB or CECAQ-11).

"The PAPAFA programme clearly demonstrates the vast potential of public/private partnerships to further rural economic development and poverty reduction," says Mohamed Beavogui, Director of IFAD's West and Central Africa Division.

"With a project horizon of 2015, the system of organic and fair trade cocoa production, linked in with premium-paying commercial buyers, will become self-sustaining," says Andrea Serpagli, IFAD Country Programme Manager for Sao Tome and Principe.

Source: IFAD

Like Be the first of your friends to like this.

Tweet 2

g+ Recommend this on Google

 [RSS](#)