COCOA IN THE TRADE Hub
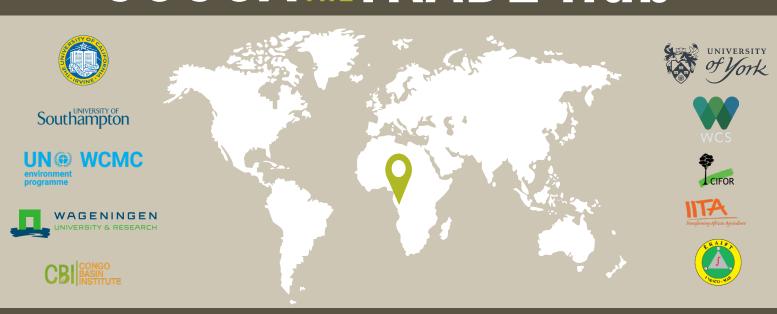
Cocoa beans are widely used in the production of beverages, confectionery, bakery products and pharmaceutical products. The demand for this commodity has been growing, leading to higher pressure on producers to increase supply. As a result, between 2007 and 2017, the total area of cocoa plantations harvested increased by more than 3 million hectares worldwide[1].

Primary regions for Cocoa production are the tropical areas of Africa, Asia and Latin America, with 90% of production coming from smallholders. It is estimated that between 40 and 50 million people's livelihoods are supported by cocoa production[2].

TRADE Hub's research on cocoa aims to increase the positive impacts of the cocoa industry, by working towards improving the wellbeing of both consumers and producers and increasing the sustainability of its production to protect bodiversity. We focus on Central Africa, especially Cameroon, which is the third largest producer of cocoa on the continent[3].

Using this diagram which is based on a generic supply chain, we can explore the work that the TRADE Hub is doing at each stage of the cocoa supply chain

Farmers

Importers

Traders/Aggregators

Consumers

Funders

Private Sector

Trade Rules

National Govt

Acronyms

CBI = Congo Basin Institute
IITA = International Institute of Tropical Agriculture
UoS = University of Southampton
WUR = Wageningen University & Research

Endnotes:
1) Food and Agriculture Organization of the United Nations (FAOSTAT), 2019. Data Archives, the FAO Homepage, FAO, Rome. Available at: http://www.fao.org/faostat/en/#home
2) WCF (2014) Cocoa market update. World Cocoa Foundation, April. Available at: https://www.worldcocoafoundation.org/wp-content/uploads/Cocoa-Market-Update-as-of-4-1-2014.pdf
3) ICCO (2017). Annual Report 2014/2015. Abidjan, Cote d'Ivoire: 76.

FARMERS/PRACTICES 🧑‍🌾 🍈 🍈 🍈 🍈

We are studying production systems and mechanisms - filling gaps in knowledge about current farming practices, impacts on ecosystems and people, and direct impacts of high-level policy decisions.

CAMEROON

- Evaluating the state of biodiversity in different Cocoa production systems and under varying management methods (*CBI- IITA, UNEP-WCMC, WUR*)
- Assessing differences in biodiversity and ecosystem services in certified and non-certified cocoa farming systems (*CBI- IITA, UNEP-WCMC, WUR*)
  - » The work happening at the farmer level will be principally based on literature search and fieldwork with a representative sample of farmers in various cocoa production basins (*CBI- IITA*)
- Assessing how different levels of management practices applied in cocoa production systems affect biodiversity (*CBI- IITA*)
- Assessing how diverse practices in value chains generate multidimensional wellbeing for farmers, disaggregated by gender (*UoS*)
  - » We will compare their income against living wage metrics
  - » This aims to inform design of policy and private sector practices on wages and incomes for cocoa farmers

PRIVATE SECTOR 🏠 🍈 🍈 🍈 CONSUMERS 🍴

We are working towards further integrating environmental and social considerations into global/ corporate trade governance.

- Assessing the impact of private initiatives on farmers production decisions and outcomes, including those from cocoa processing company or from large chocolate product companies (*CBI-IITA*)

We are studying drivers of consumer behaviour, and mechanisms of influence.

- Generating data on consumers while connecting national production and consumption to the international trade system using the TRASE SEI-PCS Model (*CBI-IITA*)

METRICS & TOOLS 🍈 📊

We are developing powerful models that envision future pathways for trade, as well as metrics and indicators that help plan and monitor for more sustainable trade systems.

- Mapping and assessing risks and opportunities from (expanding) cocoa production to biodiversity and ecosystem services in the Congo Basin, considering biophysical, institutional and socio-economic factors (*UNEP-WCMC, WUR, CBI-IITA*)
- Developing a living income benchmark and assessment for cocoa farmers in Cameroon (*CBI- IITA, UoS*)
- Calculating the contribution of the sector to the national economy through the use of a national income accounting system (a double-entry accounting system) (*CBI-IITA*)
  - » The metrics provided by this approach can be used by the government to set or modify cocoa production and trade policies (*CBI-IITA*)

TRADERS/AGGREGATORS

CAMEROON

We are dissecting the role that importers play, and researching how demand-side management can change the way commodities are traded.

- Evaluating the different activities carried out by traders along the supply chain (*CBI- IITA*)

IMPORTERS

- Generating income & volume data on importers while connecting national production and consumption to the international trade system using the TRASE SEI-PCS Model (*CBI-IITA*)
  » Interviews with supply chain actors will provide information about the fairness of the benefit distribution across the value chain (*UoS*)

CAPACITY BUILDING

We are working consistently towards improving capacity and skills for all TRADE Hub members, with an emphasis on interdisciplinary learning and knowledge exchange.

- Mentoring 1 - 2 Masters Student per year (*CBI-IITA, WUR*)
- Organizing Education, Communication & Information (ECI) sessions with stakeholders on the project (*CBI- IITA*)
- Organizing Multi-Stakeholder (MS) sessions for knowledge exchange and learning best practices from each other (*CBI- IITA*)
- Training enumerators in data collection and methods development (*CBI-IITA, WUR*)

MEAs

We will feed into processes of Multilateral Environmental Agreements, providing the most up-to-date insights for decisions on trade and environment.

- Shedding light on the contribution to the SDGs (*CBI- IITA*)
  » Scoping study highlights links of different social impacts to different SDGs
- Assessing the interaction between each link of the supply chain and biodiversity, as well as how the biodiversity impacts will contribute to the CBD (*CBI- IITA*)

NATIONAL GOVERNMENT

We are engaging public sector decision-makers with the Hub's findings, enabling pathways to critical shifts in planning and implementation.

- Analyzing the interaction of the cocoa industry with other sectors of the economy; estimating and aggregating the added value at each link of the supply chain and thus the contribution of the cocoa sector to the national economy (*CBI- IITA*)
  » This will inform the public sector and decision makers

CAMEROON

To keep up with the TRADE Hub work, subscribe to our newsletter here!