

Indonesia

SUCCESS Alliance



For the last several years, cocoa prices have remained relatively stable, with production and supply nearly equal. Cocoa consumption, however, is growing rapidly and projections show global production falling behind demand. The international cocoa industry's need for diversified cocoa sources and expanded production levels is clear.

Recognizing this need, as well as the importance of cocoa to smallholder farmers, the Sustainable CoCocoa Enterprise Solutions for Smallholders Alliance (SUCCESS Alliance) addresses the constraints to sustainable cocoa production and marketing to increase the competitiveness of the cocoa sector. The SUCCESS Alliance is a public-private partnership, the mission of which is to improve the livelihoods of smallholder farmers by promoting cocoa production and marketing in a way that is economically, environmentally, socially and culturally sustainable. ACDI/VOCA has implemented its cocoa development programs with funding and support from the U.S. Department of Agriculture

(USDA), the U.S. Agency for International Development (USAID), the World Cocoa Foundation (WCF), and other international and local industry partners, including Mars Inc. The SUCCESS Alliance is active in Ecuador, Indonesia, Liberia, the Philippines and Vietnam.

SUCCESS Alliance in Indonesia

Between 2000 and 2008, ACDI/VOCA administered three iterations of the SUCCESS Alliance program in Sulawesi, Indonesia. The projects aimed to increase the productivity of smallholder farmers, leading to increases in rural income, improved yields and sustainable cocoa development. From 2000 through the end of 2005, assistance was provided directly to smallholder farmers, whereas in 2008 the project aimed to increase access to and improve the quality of technical services available to cocoa farmers and their organizations through the strengthening of local business development service providers in four provinces in Sulawesi.

In 2000 there was an urgent need in Sulawesi for improvements in cocoa production. Over the course of the SUCCESS Alliance programs, the Indonesian government, cocoa farmers and the cocoa industry witnessed the impact of improved farm management capacity on cocoa production. The farmers, traders and exporters worked to strengthen their linkages with one another, increasing the demand for services at all levels of the value chain. By the end of 2005 a viable market existed for these services.

At the end of 2005, the SUCCESS Alliance Business Service Provider (BSP) Capacity Building Project helped its Indonesian staff establish non-



Kelly Keehan, ACDI/VOCA

Project Profile

profit BSPs in four ACDI/VOCA field offices. The developmental function of BSPs is to provide technical training, on a fee-for-service basis, to farmers, extension workers and key actors in the supply chain, and to improve linkages between farmers and buyers downstream in the value chain. In 2008 the project focused on further developing the sustainability of these local BSPs.

The principal activities of this project were the following:

- » providing advisory services and management training to BSPs in Sulawesi to support development of smallholder agriculture
- » providing advisory services and training to BSPs in marketing, service and product development, and building and maintaining client portfolios to support long-term viability
- » helping BSPs develop and implement strategies to build direct linkages between farmers and buyers
- » coaching and mentoring BSPs to help them evolve from donor implementers to entrepreneurs

ACDI/VOCA also worked with SUCCESS Alliance partner Mars Symbioscience Indonesia (MSI) to develop services for cocoa farmers that focus on amelioration of soil health and nutrition for cocoa farms. The key to this new service are some low-tech, motorized pod chopping machines that had been developed in cooperation with Briggs & Stratton Corporation, ACDI/VOCA and MSI. ACDI/VOCA had begun working on this idea in 2005, when it partnered with Briggs and Stratton Corp. in Vietnam and Indonesia to develop a simple cocoa pod chopper machine that could grind cocoa pods and other waste materials found on cocoa farms to produce compost or organic fertilizer at the farmer level. Two years later, MSI started to work on an improved cocoa pod chopper and produced a new design that is more efficient and flexible than the earlier prototypes. MSI subsequently introduced the concept of composting as a viable business model to cocoa farmer groups located around its fermentation plants and wet bean buying stations in Luwu, Luwu Utara and Sulawesi Tenggara. Ten farmer groups received machines and training in producing and apply-



Kelly Keehan, ACDI/VOCA

ing the compost. In May 2008, ACDI/VOCA worked with MSI to expand this activity to 39 farmer groups in those same areas.

ACDI/VOCA is an active member of the Cocoa Sustainability Partnership (CSP). The CSP was formed in early 2006 and comprises various Indonesian government departments, local and international research organizations, private companies, related associations, donor organizations and implementers. These entities coordinate programs for the development of cocoa technology, the transfer of technology to farmers and the empowerment of farmers and farmer organizations to drive higher productivity, quality, efficiency and profitability, and to ensure long-term cocoa-industry sustainability.