



SUCCESS Alliance displayed its work developing the Philippines' cocoa value chain at a national forum.

## SUCCESS Alliance Working to Strengthen Cocoa Value Chain in the Philippines

During the summer of 2008, SUCCESS Alliance in the Philippines spearheaded several initiatives to promote awareness, gain support, establish linkages and strengthen the cocoa value chain in the Philippines. ACIDI/VOCA hosted a Cocoa Value Chain Forum in Davao City on April 2, 2008, and cosponsored the National Cocoa Congress Investment and Donors Forum on July 2, 2008, in Manila. SUCCESS Alliance displayed its exhibits on the cocoa value chain and raw cocoa materials, inputs and products.

ACIDI/VOCA and Mars, Inc., conducted an analysis of the cocoa value chain from July to August 2008. The analysis team visited project sites and interviewed farmers, suppliers, traders and processors. To complete the study and present the findings, the team led a stakeholders' planning workshop on August 28, 2008, in Quezon City, where they outlined the opportunities and constraints along the value chain. ACIDI/VOCA's Chief of Party Nic Richards presented a national cocoa road map, which diagrammed cocoa production targets up to 2020.

The following recommendations came out of the workshop: (1) disseminate market information more aggressively to motivate farmers to make cocoa farming a priority; (2) organize the cocoa sector; (3) coordinate with universities to conduct cocoa research; (4) lobby for local government support; and (5) continue to share information on cocoa technology and market development.

Learn more: visit [www.successalliance.org](http://www.successalliance.org)

## SUCCESS Alliance Receives Additional USAID Funding to Conduct Further Work in Vietnam

USAID has approved SUCCESS Alliance-Vietnam for an additional \$1.3 million in funding to implement phase II of SUCCESS Alliance in the Central Highlands. Phase II will be active from 2009 to 2010 in the provinces of Dak Lak and Lam Dong, while approval to work in Dak Nong is still pending. After the Mekong Delta and Southeast Region, the Central Highlands is considered the next growth region to further establish Vietnam as a source of high-quality cocoa. The Central Highlands offers some of the best conditions and one of the largest areas for cocoa cultivation in Vietnam. It also has the highest incidence of poverty, and its ecosystem is under increasing pressures from input-intensive coffee production systems. Cocoa cultivation offers an alternative means to maintain and increase household incomes with a less intensive farming production system.



Phase I of the SUCCESS Alliance program in the Central Highlands distributed cocoa seedlings and provided cocoa cultivation training for more than 1,830 rural poor households, most of which are indigenous ethnic minorities. This provided a good baseline for expanding the alliance's successful value chain approach to the Central Highlands. The second phase of the project will focus on increasing the number of beneficiary farmers in Dak Lak to 3,400 as well as to expand to Dak Nong province in which 1,600 new farmers will benefit from the project. Additionally, the project is hoping to expand into Lam Dong to introduce a diverse and advantageous cocoa agroforestry model.

## Mars Establishes New Cocoa Development Center

ACIDI/VOCA partner Mars, Inc., launched its Mars Cocoa Development Center (MCDC) in partnership with Puentespina Farms in Davao City on April 2, 2008,

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with enthusiastic support from all SUCCESS Alliance implementing partners and stakeholders. MCDC helps to provide opportunities for Filipino cocoa stakeholders by providing training in sustainable agricultural practices. MCDC will implement work in production, post-harvest processing techniques and marketing approaches to help farmers consistently produce beans that meet national quality standards. In addition, Mars's presence in the Philippines through MCDC will reassure farmers that cocoa is a sound investment.



Chief of Party Nic Richards plants a seedling as part of the Mars Cocoa Development Center's opening.

Howard Y. Shapiro, global director of plant science and external research of Mars, said the center would adopt local and international best practices in cocoa farming, including germ-plasm evaluation, breeding, farm rehabilitation methods, integrated pest management, post-harvest practices and more. Shapiro said Mars wants to help the Philippines through a systematic approach to turn around its dismal annual cocoa production from the current 5,000 metric tons (MT) to 100,000 MT by 2020. This would make cocoa the second-biggest export-earning crop next to coconuts. "It is imperative to demonstrate to farmers, the government, donor institutions, as well as the world market, that the Philippines can produce good quality cocoa in sustainable farming systems, and this is where the Mars Cocoa Development Center's contribution comes in," Shapiro said. Charita Puentespina of Malagos Puentespina farms said at the launch that ACIDI/VOCA was instrumental in linking their farm business with Mars and establishing the MCDC.

## Ecuador Program Achieves Milestones, Highlighted in Local Magazine



SUCCESS Alliance in Ecuador uses a database to track the number of smallholder farmers that the program supports. As of November, the database reached 2,028 farmers, which is 81.2 percent of the program target of 2,500 farmers. On November 4, ACIDI/VOCA's propagation expert finished training 20 farmers from Hermanos Quito and Ines Maria on cocoa grafting. The farmers successfully completed their "graduation" task of grafting at least 50 cocoa plantlets.

As of November 18, 2008, SUCCESS Alliance project farmers in Ecuador reported pruning 1,101 ha of cocoa at an estimated cost of \$400 per ha. This means that the total investment in their farms is \$440,400, which exceeds the \$440,000 that the P.L. 480 Program awarded to finance the project.

From November 20-23, the project participated in a four-day cocoa festival in Guayaquil called "Chocofest." The festival was host to 10,000 visitors, including local and international cocoa experts. ACIDI/VOCA's display received over 1,000 visitors, and Project Organizational Expert Jaime Freire presented the project's successes.



Cocoa beans after the fermentation process. SUCCESS Alliance has reached 2,028 smallholder farmers so far with its training.

On November 24, two journalists from Guayaquil's *Expreso* weekly magazine and Chloe Doutré Roussel, considered to be one of the most famous chocolate tasters in the world, visited ACIDI/VOCA's farmers in the Naranjito, Guayas area. They visited farmers in San Enrique and learned how the *marquesina* (solar dryer) works.

During the visit, the farmers also explained why they are using CCN51, a high-yielding variety of cocoa, instead of the lower-yielding "Nacional" variety: for these farmers the CCN51 provides them with a better return on investment. The field trip continued to San Francisco and La Primavera, where association farmers demonstrated some of the different agricultural practices they use.

*Expreso* magazine published a four-page article that detailed the visit and the activities that farmers working with ACIDI/VOCA are doing.

## A Farewell to Elizabeth Dalziel

With the close of the SUCCESS Alliance program in Indonesia, ACIDI/VOCA also said goodbye to Chief of Party Elizabeth Dalziel. Dalziel served ACIDI/VOCA for five years, beginning in 2003 as a project coordinator in the Washington, D.C., headquarters office. Dalziel supported the SUCCESS Alliance programs throughout her time in HQ, backstopping the Ecuador program and participating in new business development as well as giving valuable input to our approach to cocoa programming. ACIDI/VOCA sincerely thanks Dalziel for her dedication, enthusiasm and service to the organization. We wish Dalziel the best of luck in her future endeavors.



## Tribute to a Pioneer in Cocoa—James Mangan

The self-trained entomologist and entrepreneur, James Mangan, developed the ACIDI/VOCA farmer field school methodology and curriculum in Indonesia, Vietnam and Ecuador, passed away last year. Mangan is credited for his commitment to curriculum development and having an extraordinary ability to teach rural farmers improved techniques and methodologies. Mangan made a lasting impact on both the farmers he reached and the colleagues he left behind and will be forever missed.



LIFE Chief of Party Robin Wheeler (center) sits with U.S. Ambassador to Liberia Linda Thomas-Greenfield during a Farming as a Business training registration.

## Rehabilitating the Cocoa Industry in Liberia

Liberia's cocoa sector was almost completely destroyed by the country's 15-year civil war, and SUCCESS Alliance is helping to rebuild the industry.

SUCCESS Alliance's Livelihood Improvement for Farmer Enterprises (LIFE) cocoa development project has made significant progress, despite having an incomplete staff up to June 2008. The LIFE project team includes 10 field technicians, who work in Bong, Nimba and Lofa counties.

As of October 2008, the project's achievements include the following:

- » More than 3,500 smallholder cocoa farmers participated in farmer organizations and bulked their cocoa together, resulting in their receiving better prices for their cocoa compared to previous years.
- » More than 1,000 cocoa farmers practiced proper cocoa fermentation and drying methods during the 2008 harvest, improving the quality of their cocoa and facilitating its sale on the world market.
- » As a result of training in *Farming as a Business* principles, approximately 1,200 farmers took the first step in the transition from subsistence to commercial farming by keeping records of their farm expenses and revenues.
- » At least 576 acres of cocoa trees on 208 farms were rehabilitated, including underbrushing, pruning, sanitation and shade reduction, and are now in production.
- » More than 540 smallholder cocoa farmers gained a clear understanding of financial institutions' loan requirements.
- » Three financial institutions—Liberian Bank for Development & Investment, International Bank and Liberty Finance—agreed in principle to provide access to loans to ACIDI/VOCA-sponsored cocoa farmers in Bong, Nimba and Lofa counties.
- » The financial institutions developed special loan schemes for smallholder cocoa farmers.





A SUCCESS Alliance partner presents at ACIDI/VOCA's business service providers' lessons learned close-out workshop.

## Business Service Providers Share Lessons Learned During Indonesia Workshop

From November 17–20, 2008, ACIDI/VOCA held a close-out workshop for five of its beneficiary business service providers (BSPs) in Makassar, Indonesia. The BSPs provide a variety of services and products to cocoa farmers, farmer associations and other industry stakeholders. The providers collect fees for their services, which include

- » cocoa seedling provision and after-sales technical advisory
- » side-grafting services
- » land rehabilitation and replanting services
- » training and assistance on good farming practices, side grafting, *Farming as a Business* and farmer organization development

During the workshop the service providers shared results and lessons learned from implementing their 2008–2009 business plans and incorporated those findings when adapting their business plans for the coming year. The service providers also prepared marketing presentations for potential clients and partners at the ACIDI/VOCA-sponsored “Cocoa Service Provider Informational Dinner” on November 20, 2008.

Attendees included representatives from the Department of Estate Crops (DISBUN), exporters and large traders such as Mars, Inc., Archer Daniels Midland Company, and Olam, and other nongovernmental organizations.

The service providers identified the following lessons learned:

- » prioritize business lines and specialize in the one or two products or services with the most potential to be profitable
- » start small, set realistic targets, and get it right from the start to ensure a high-quality product
- » add value to the products provided by including complementary services
- » prepare written contracts with customers to reduce risk and to monitor activities more carefully
- » maintain detailed financial reports for all activities to monitor expenses, revenues and receivables as well as profitability of various business lines

To learn more about the SUCCESS Alliance, please visit [www.successalliance.org](http://www.successalliance.org)

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## SUCCESS Alliance Helps Liberian Farmer Protect His Trees, Plan Future

Liberia is home to two-thirds of the Upper Guinean Rainforest, which global conservation groups have named a biodiversity hotspot—a region with numerous native flora and fauna species that is under threat of losing a majority of those species. It also has been a conflict hotspot with two devastating civil wars within the last two decades.

However, with help from the international community, peace finally came to Liberia in 2004 and the nation began to heal the wounds from its violent past. Individuals and families slowly started returning from refugee camps where they had lived for 14 years, taking stock of their homes and planning their futures. Among those was Mr. Donso, who returned to his family farm,

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which was overgrown from years of neglect after his family fled from vying rebel groups.

Before the wars, his parents had grown cocoa, as had neighboring farmers. After returning to their home, Mr. Donso and his family began the process of “brushing,” or using machetes to chop down trees and bushes on their several hectares of land. Their cocoa trees were not productive and although he did not like the idea of clear cutting the forest, Mr. Donso and his family decided to begin the laborious process of felling the cocoa and other trees to start a rice farm to earn much-needed income.



Mr. Donso has been able to protect the trees on his land while still providing for his family.

Mr. Donso began changing his mind, however, when he learned about the SUCCESS Alliance's Livelihood Improvement for Farmer Enterprises (LIFE) project.

“Because I heard that ACIDI/VOCA was coming to train us in growing cocoa, I stopped cutting down my trees for a rice farm,” Mr. Donso said.

Mr. Donso participates in farmer field schools (FFSs), where he learns about such things as how to prevent and fight off tree diseases, how to better manage his farm using ACIDI/VOCA's *Farming as a Business* curriculum, the importance of pest management, and other topics. He also learns about how to diversify his crops so that he will always have an income, even if one crop does not yield as well as expected.

“With assistance, I will grow cocoa for big prices on the market,” Mr. Donso said.

Through the SUCCESS Alliance, ACIDI/VOCA helps smallholder farmers like Mr. Donso to protect the rainforest while also ensuring they have economic opportunities to better provide for their families.