

PARDI FACT SHEET

A stronger future for Pacific cocoa producer networks

Pacific Agribusiness Research for Development Initiative

The PARDI project, 'Facilitating improved livelihoods for Pacific cocoa producer networks', aims to help improve the livelihoods of Pacific cocoa farmers by facilitating their entry into higher value markets.

Improving livelihoods

Changing consumer demand in the chocolate market offers new opportunities to small-holder cocoa growers, such as those in the Pacific, to obtain higher prices for good quality fermented cocoa.

Consumer demand for chocolate marketed on the basis of country or region of origin, third party certification (such as Organic, Fair Trade and UTZ), fine flavour and high cocoa content encourages cocoa 'bean to bar' chocolate companies to pay a premium for cocoa from unique geographic origins, under conditions that would qualify for certification and using processing techniques that enhance end product taste. This offers Pacific Island producers capable of producing quality cocoa an opportunity to shift from supplying bulk cocoa markets in Asia at below world price, to niche markets at above world price, and to reap the livelihood benefits that result.

The PARDI research is conducted on behalf of and in conjunction with seven smallholder grower networks across Vanuatu and the Solomon Islands, with the potential to benefit more than 5000 small-holder growers and their families. The research team includes agribusiness specialists, agronomists and economists from Australia and the Pacific islands who will work with the private sector and third party certification agencies located in Pacific Rim countries and Europe.

Goals and activities

The PARDI cocoa project aims to facilitate the entry of local growers into these niche markets, and enjoy the financial benefits that this access will provide.

Our goals

- Identify new and emerging market opportunities for Pacific Island cocoa growers.
- Improve Pacific Island cocoa growers' capacity to access higher-value niche markets.
- Facilitate value-adding to cocoa in Pacific Island countries through additional processing, end-product retail and export.

Our activities

- Facilitating supply relationships between 'bean to bar' buyers and small-holder exporters through sending samples, evaluating for quality, and developing product and producer profiles.
- Establishing product quality traceability systems to ensure compliance with niche market demands.
- Providing training and support to facilitate the third party certification of select farmer networks.
- Conducting market research into the potential of alternative marketing strategies, including for locally manufactured products.

The Pacific advantage

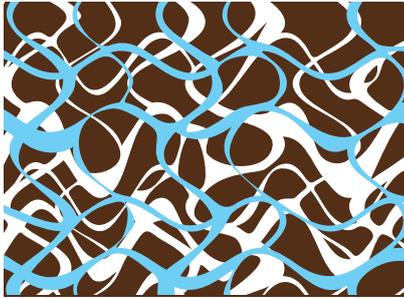
Pacific Island cocoa producers have a number of distinct advantages that will assist in tapping into premium markets.

Advantages

- Relatively unpolluted and unspoilt environments.
- A long history of fermenting cocoa, which adds to taste.
- Established farmer support groups capable of promoting collective action, such as Co-operatives and Farmer Associations.



Australian Government
Australian Centre for
International Agricultural Research



- Significant interest from certification agencies and overseas buyers for good quality Pacific Island beans.
- A large and growing local tourism market.

Looking to the future

By 2014, PARDI aims to empower Pacific Island cocoa growers to make the most of their comparative advantages and ensure a sustainable and profitable industry for many years to come. PARDI would like Pacific Island cocoa industries to:

Achieve a ten percent increase in the amount of Pacific Island cocoa sold to premium and niche markets;

Achieve a ten per cent increase in the prices received for Pacific beans;

Increase prices received for Pacific beans by 10 percent, with a view to further increases;

And, establish a national cocoa industry in Vanuatu and the Solomon Islands.

“The PARDI cocoa project is about empowering local growers to understand opportunities and how to tap into and benefit from these opportunities so they can achieve a strong and sustainable future.”

Cocoa facts & figures

- Cocoa is currently the 3rd most important export earner for Solomon Islands and the 4th for Vanuatu.
- Cocoa provides an important source of livelihoods income for 20 percent of Solomon Island households and 25 percent of Vanuatu households.
- Annual cocoa production in Vanuatu: 1000 tonnes; in the Solomon Islands: 5000 tonnes.
- Annual cocoa production worldwide: 3 million tonnes.
- Proportion of Pacific Island coco sold into premium and niche markets: 5 percent.
- Annual increase in demand for cocoa: 3 percent per year, for the past 100 years.
- Growth in demand for single-origin chocolate over the last 5 years: 20 percent per annum.
- Growth in demand for organic chocolate in the last 5 years: 20 percent.
- Growth in demand for high cocoa content chocolate over the last 5 years: 15 percent.

For further information

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About PARDI

PARDI: 'Pacific Agribusiness Research for Development Initiative' commenced in February 2010. The project is co-ordinated by The University of Queensland and funded by the Australian Centre for International Agricultural Research (ACIAR).

PARDI seeks to create sustainable livelihood development outcomes for the South Pacific forestry, fisheries and crop-based sectors. PARDI scientists undertake supply chain and market-driven research to identify constraints that impede local economic development. Their research involves working towards tangible solutions such as new skills for locals, new technologies and product options.

PARDI is a partnership involving The University of Queensland under the Queensland Alliance for Agriculture and Food Innovation (QAAFI), the University of the South Pacific, the Secretariat of the Pacific Community, University of Adelaide, James Cook University, University of the Sunshine Coast, the Queensland Government's Department of Employment, Economic Development and Innovation (DEEDI) and Southern Cross University.