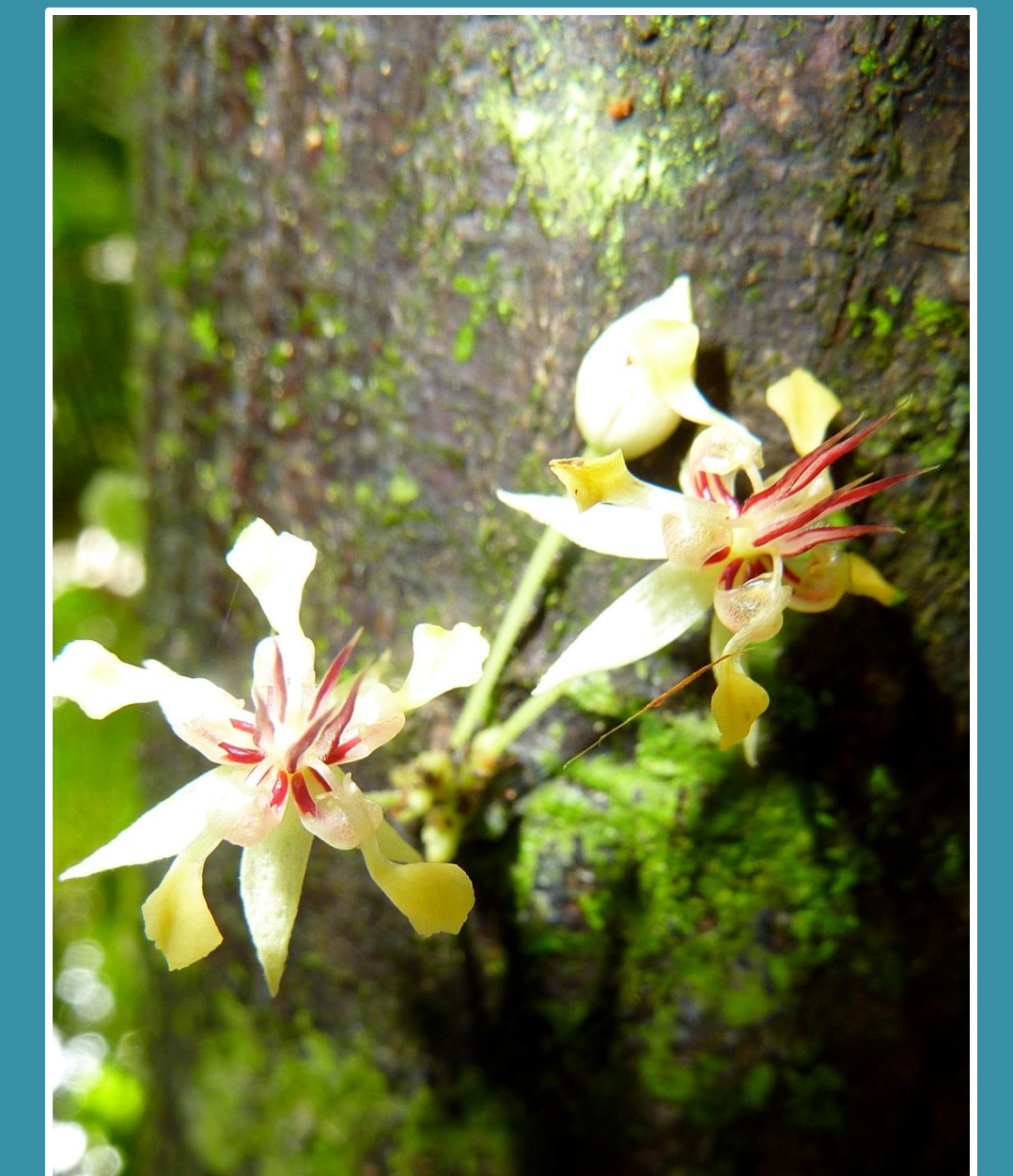




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# Cacao Value Chain Analysis in Toledo District, Belize

## Introduction

- 79% of Toledo is impoverished, mostly farmers
- deforestation in Belize is on the rise, mostly due to slash-and-burn agriculture

Organic, shade-grown cacao can be a lucrative cash crop. Cacao-based agroforestry can be favorable for creation of buffer zones to protected areas and for maintaining biological corridors, by retaining some forest integrity.

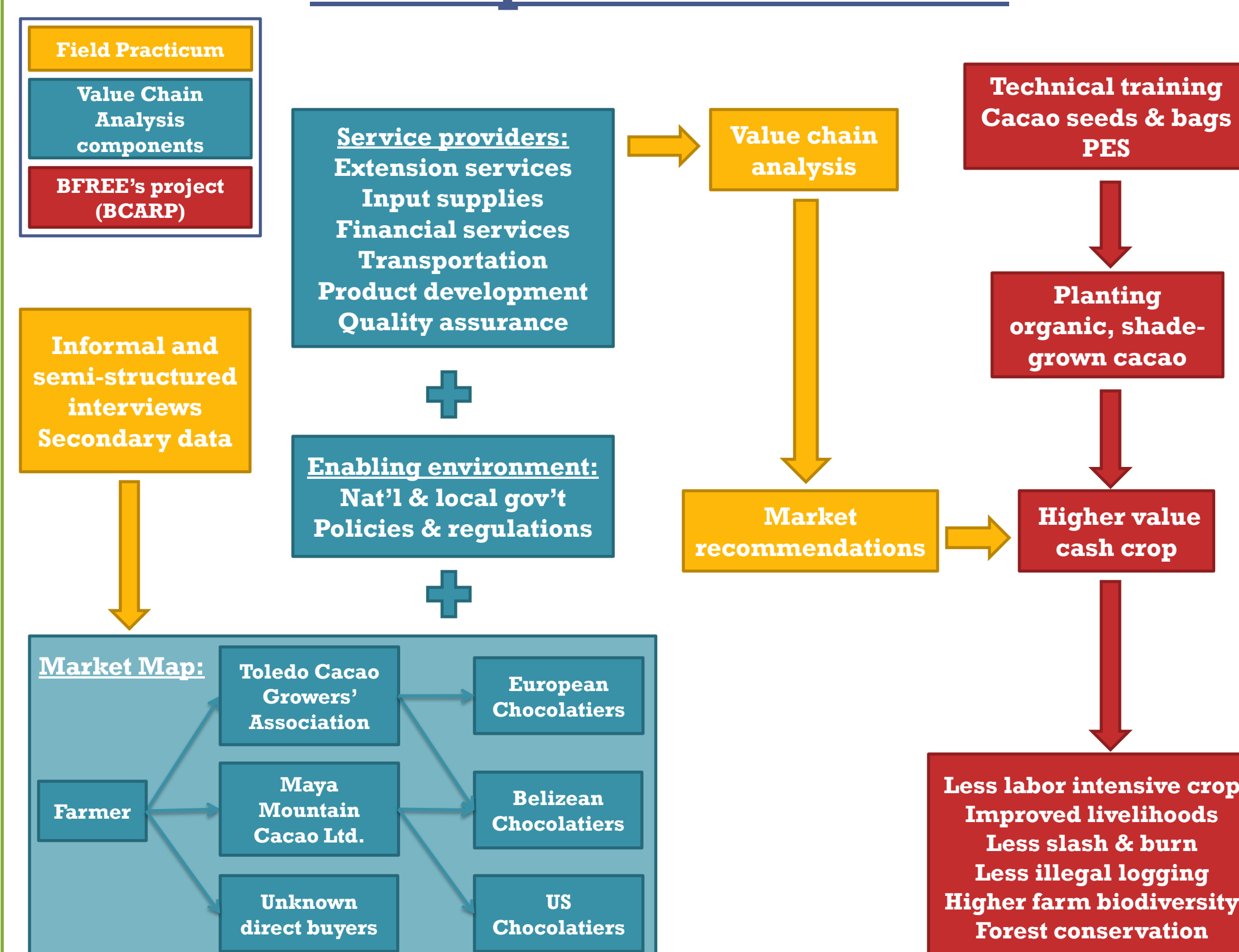
## Objective

Examine the economic viability of organic, shade-grown cacao as a method for improving livelihoods and forest conservation, by identifying economic opportunities and barriers for smallholder farmers within the context of Belize.

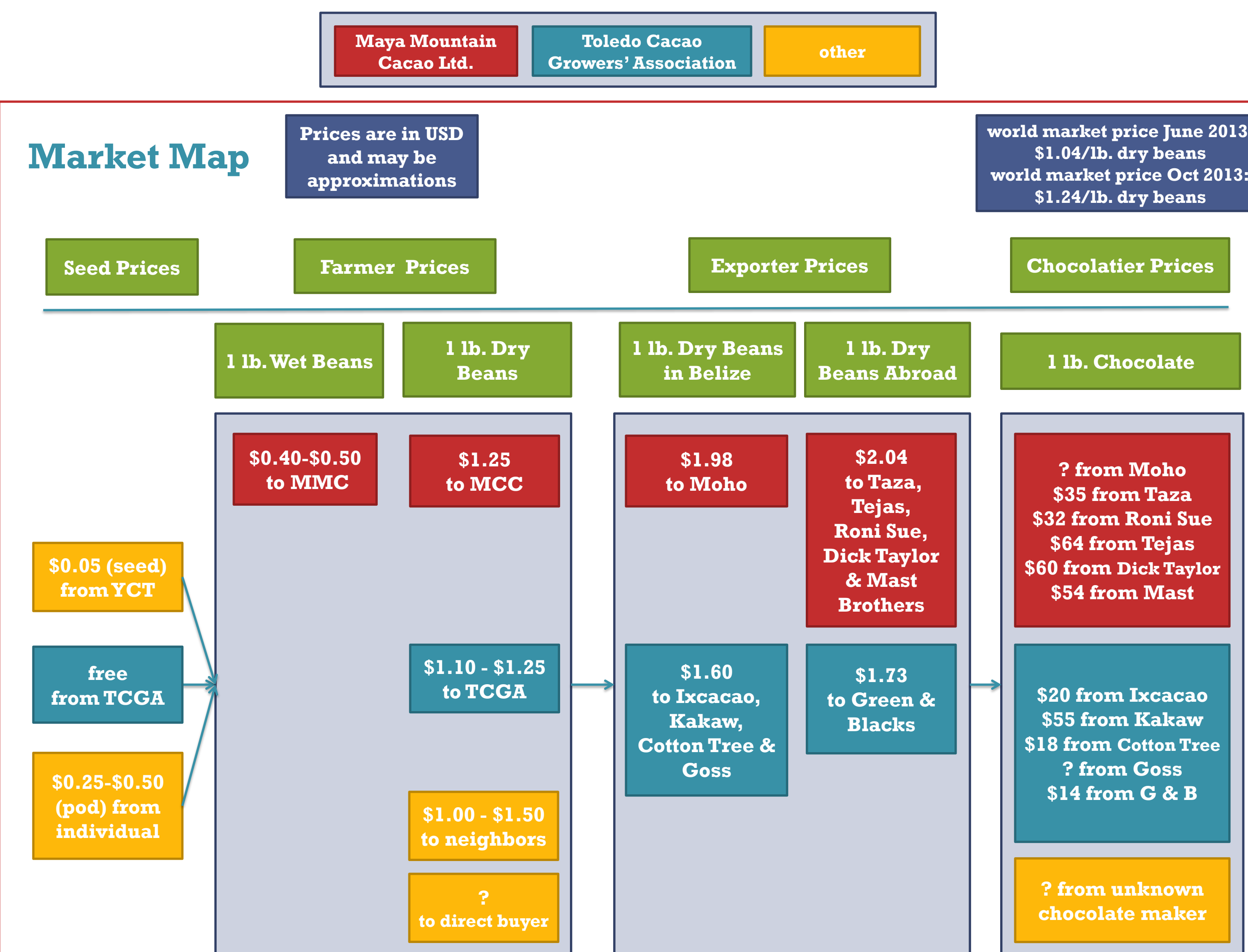
## Methods

- value chain analysis employing:
  - informal, semi-structured interview with cacao farmers and key informants
  - secondary data

## Conceptual Framework



## Results & Analysis



## Enabling Environment

- Structures (national/local gov't and research agencies)**
- little interest from the government prior to June 2013
  - a National Cacao Platform was created in June 2013
  - Ministry of Agriculture does not often service small farmers
  - no research agencies dedicated to cacao
  - poor transportation infrastructure
  - undifferentiated world market disfavors organic, shade-grown cacao

- Institutions (policies and regulations)**
- some over-story trees (mahogany and cedar) protected by law
  - high US import duty on chocolate, but 0% on beans
  - high BZ import duty on packaging materials (burlap, plastic bags)
  - unclear land registry or communal land tenure issues
  - no national organic standards
  - no fire prevention policies

## Service Providers

	MMC	TCGA	Local NGOs	Other Providers
Extension Services	X	X	YCT, SHI & BFREE (if part of project)	Ministry of Natural Resources and Agriculture
Input Supplies		X	YCT, SHI & BFREE (if part of project)	
Market Information	X	X		
Financial Services	X (via KIVA)	X (via funders)	BFREE	Toledo Teachers Credit Union (not currently used)
Transport Services	X (weekly pick up)		YCT & BFREE (if part of project)	Private bus companies
Quality Assurance	X (to USDA standards)	X (Fair Trade, organic)		Belize Agricultural Health Authority (phytosanitary for export)
Crop Development		X (via funders)	YCT & SHI (if part of project)	

## Conclusions

- strong international market for fine flavored cacao
- mechanisms for accessing this market are uncertain
- enabling environment is limited
- service providers are insufficient
- farmers need a better outlet if they will continue growing cacao after payments end
- price for dark chocolate is significantly higher than price for cacao beans



## Recommendations for Trio

- Trio Agro-processing Cooperative**
  - Pro:** higher quality beans, less functions performed by farmer, decreased operating and transportation costs
  - Con:** costs and leadership required for establishing and managing
- Contract Directly with Chocolatier**
  - Pro:** consistent buyer, higher prices, funding for training, expansion or facilities improvement
  - Con:** difficult to establish trusting relationship, disrupt local market "balance"
- Eco-Labeling (organic, bird-friendly, fair trade, etc.)**
  - Pro:** fetch higher prices
  - Con:** costly to maintain, bureaucratic

## Recommendations for Cacao Sector

- Establish Geographic Indication for Cacao**
- Upgrade Enabling Environment**
  - protect cacao trees from negligent or malicious fire casualty
  - develop research agency
  - educate consumers
  - establish domestic certification schemes
- Upgrade Services Provided**
  - farm roads
  - transportation
  - technical training
  - business skills and time management training