



Lutheran World Relief  
SUSTAINABLE DEVELOPMENT. LASTING PROMISE.

# Cocoa in Latin America & the Caribbean



Cocoa offers small-scale farmers the opportunity to increase earnings and overcome poverty while contributing to environmentally **sustainable agricultural development**. With more than a decade of experience in the cocoa sector in Latin America and the Caribbean, LWR has invested more than \$2 million in recent years to strengthen cooperatives, and increase production and sales while promoting **sustainable management of cocoa crops**. These investments have had an impact on the lives of more than 25,000 people and have been leveraged with private sector support, as well as government and foundation grants, to expand LWR's impact on the cocoa sector in Colombia, El Salvador, Haiti, Honduras, Nicaragua and Peru, through the following approaches:

## INCREASING ACCESS TO HIGH-VALUE MARKETS

- LWR works with small-scale farmers to **certify sustainable production** methods via third party certification by certifying agencies such as Fair Trade USA, Rainforest Alliance, UTZ Certified, GLOBALG.A.P., Fairtrade International (FLO), Solidaridad, BIO LATINA and the Smithsonian Migratory Bird Center.
- LWR connects cocoa buyers to cocoa producers **at origin** to increase producers' sales and incomes. To date, LWR has supported cooperatives in Latin America to secure **purchase agreements** with RITTER SPORT, Ecom Agroindustrial Corp. Ltd and Chocolate Momotombo, and is working with a subsidiary of PRONATEC AG in Peru.

## HELPING FARMERS ACHIEVE EXPORT QUALITY

- LWR works with cocoa cooperatives to increase **traceability and quality control systems**, train tasters and improve post-harvest processing, including fermentation and drying, which lead to increased efficiency and cocoa quality.

In 2012, the LWR-supported cooperative Cooperativa de Desarrollo Productiva del San Juan won **first place** in Nicaragua's first internationally-judged **quality cocoa competition**.

- LWR finances **infrastructure to help improve cocoa quality**, such as the construction and repair of equipment at centralized cocoa processing centers, including drying tunnels, drying ovens and fermentation boxes.

LWR works with cocoa cooperatives in Latin America and the Caribbean to revitalize cocoa production. In **Nicaragua**, these initiatives have increased cocoa production by **30 percent** and sales by more than **200 percent**.



In **Haiti**, LWR is working with more than **2,500 cocoa producers** to increase the volume and quality of fermented cocoa beans. Two newly-constructed drying and fermentation centers will contribute to the goal of tripling the volume of marketable fermented cocoa to **200 tons/year** over a three year period.

## PROMOTING SUSTAINABLE AGROFORESTRY SYSTEMS

- LWR supports farmers in Latin America to manage cocoa crops under an agroforestry system, which offers concrete solutions leading to **reforestation and climate change adaptation**. This system contributes to increased yields, the long-term health of soil and trees, and food security by allowing farmers to intersperse food crops throughout the cocoa plants.

LWR assisted more than **1,700 Nicaraguan coffee and cocoa farmers** on **2,099 hectares** in implementing sustainable agroforestry practices that promote reforestation and adaptation to climate change. The practices included shade-grown coffee and cocoa, intercropping, live barriers, wind breaks and nurseries.

## DEVELOPING FARMER-FRIENDLY TECHNICAL RESOURCES

- **LWR's Organic Cocoa Manual** consolidates technical information on organic cocoa production for extension agents, farmers and local promoters. The 2008 manual highlights techniques for environmentally **sustainable management of cocoa crops**. Available at [programs.lwr.org/organiccocoa](http://programs.lwr.org/organiccocoa)
- **LWR's Cocoa Toolkit** provides cocoa farmers and cooperatives with the most current technical information on the sustainable production of **quality cocoa** and **access to markets**. Developed with support from The Hershey Company, the 10-guide toolkit was released in 2013 and has already been distributed to more than 2,000 farmers in three countries and will be adapted for use in Haiti and Peru. Available at [programs.lwr.org/cocoatoolkit](http://programs.lwr.org/cocoatoolkit).
- **A Training Program to Strengthen Rural Cooperative Businesses** leads farmer organizations through a process to assess and improve on their business capacity. Designed in collaboration with other the members of the *Alianza de Aprendizaje* (Learning Alliance) in Nicaragua, the program is a year-long, hands-on course for farmer organization leaders. LWR has implemented this course for five years, successfully strengthening coffee and cocoa cooperatives in Nicaragua, Honduras and El Salvador.

## BUILDING STRATEGIC ALLIANCES ALONG THE SUPPLY CHAIN

- **Private-Sector Partnerships:** LWR recognizes the value of partnering with the private sector to increase the impact of supply chains on farmers' livelihoods. For cocoa, LWR's collaboration with the private sector has included technical assistance, quality control, sample analysis, market access, credit, certification processes and site visits.
- **Access to Rural Finance:** LWR helps farmers and their cooperatives contact and negotiate credit with credit organizations as well as facilitating training in the access and management of credit and savings. In addition to external credit, many of the cooperatives that LWR works with have internal credit systems to allow farmers to access necessary inputs for their production.
- **Regional & National-Level Cocoa Forums:** LWR co-hosted the 2012 National Cocoa Forum in Nicaragua with *Centro Agronómico Tropical de Investigación y Enseñanza (CATIE)* and the Nicaraguan Ministry of Agriculture, bringing together more than 200 participants representing the entire cocoa supply chain. Expert panels addressed topics such as credit, certifications, cocoa quality, and climate change as well as a cocoa competition. With funding from the U.S. Department of State, LWR will convene national cocoa forums in Honduras, El Salvador and Nicaragua in 2013 and a **regional Central America forum** in 2014. Refer to contact information below if you would like to attend any of these forums.

### LWR's strategic partners in cocoa include:

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| • RITTER SPORT                            | • Root Capital  |
| • The Hershey Company                     | • Central American Bank for Economic Integration (BCIE) |
| • Ecom Agroindustrial Corp. Ltd           | • Fair Trade USA  |
| • Cafetalera Amazonica SAC (Peru)         | • CATIE   |
| • PRONATEC AG - SUMAQAO (Peru)            | • Honduran Foundation for Agriculture Research (FHIA)   |
| • International Finance Corporation (IFC) |   |

For more information on LWR's experience in cocoa, please see [programs.lwr.org/cocoa](http://programs.lwr.org/cocoa).

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