

Analysis of the Colombian Cacao Supply Chain: An Applied Community Development Approach

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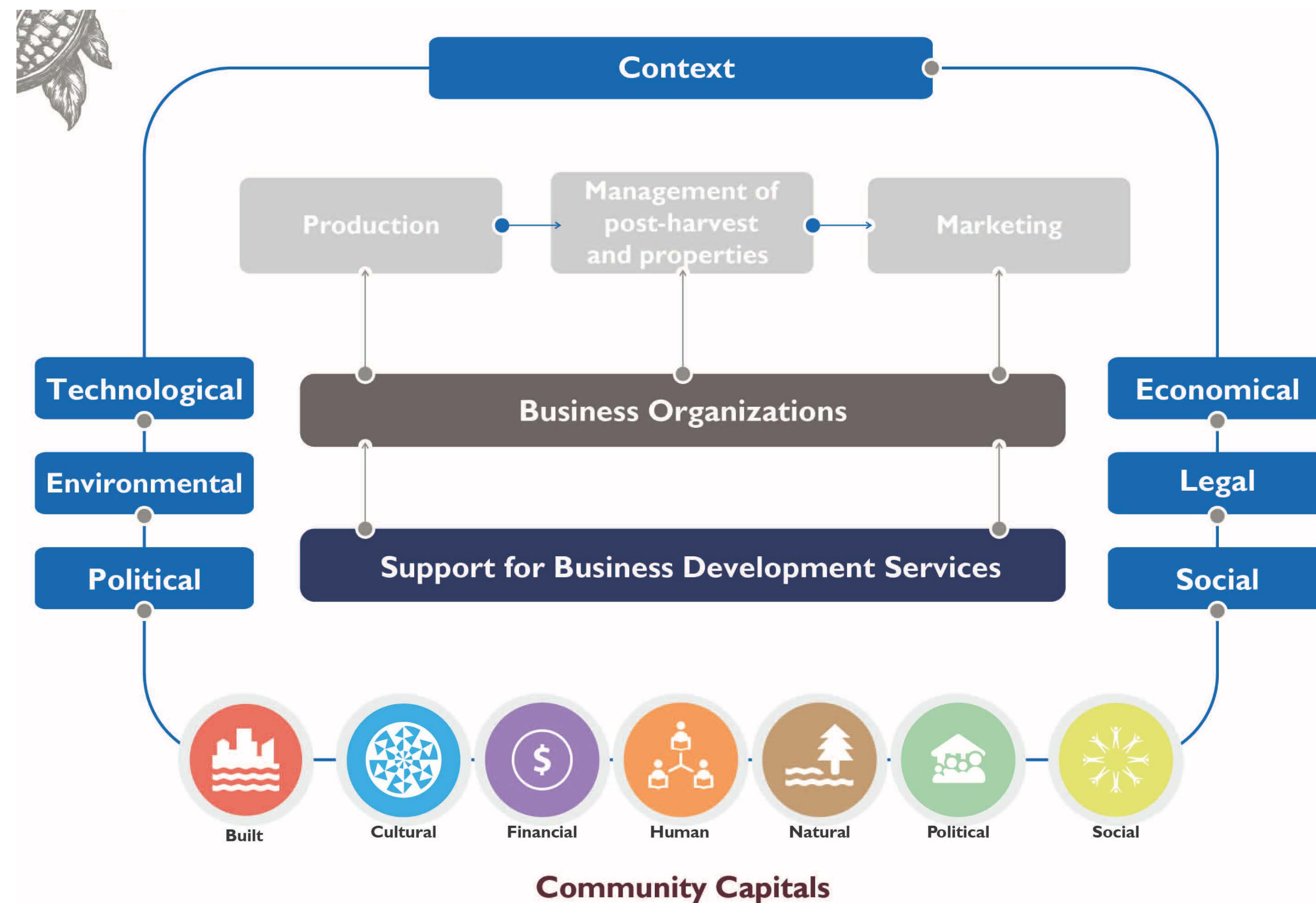
Overarching Issue:

International development programs tied to agricultural-led strategies have traditionally invoked rurality, workforce demography, land use and economic development to rationalize their focus.

While it is often true that a country's working poor live in rural areas where agriculture dominates the economy and landscape, programs directed at leveraging these characteristics often fail to account for the prevailing institutional, financial, cultural, infrastructural, social and educational aspects that can foil even the most well designed project that seeks to take advantage of the agronomic assets of the region.

Overarching Goal:

The main goal of the USAID/USDA project, Cacao for Peace (CfP), is "to strengthen Colombia's key agricultural institutions in the public and private sector for cacao with cooperative research, technical assistance, and extension education. The CfP vision is to improve rural well-being through agricultural development that is inclusive and sustainable with positive impact on cacao farmers' incomes, economic opportunities, stability and peace."



Our Goal:

Examine the cacao supply chain in detail in select regions of the country, discuss opportunities and strengths with producers and key stakeholders, and offer strategic approaches to position Colombia's cacao sector in domestic and international markets with the end goal to realize the potential for cacao as an avenue for peace.

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Our Approach:

To operationalize the analysis, we used a participatory approach that combines these supply chain analysis techniques with community development processes. We interviewed small, medium and large cacao farmers, buyers, traders, processors, and industry businesses, as well as governmental, non-governmental, research, and educational institutions.

The interviews consisted of questions pertaining to the organizational structure of their association, Extension services being provided, sales of cacao, price structures, post-harvest practices, infrastructure, market opportunities, and cacao and chocolate business models. We collected over 1000 pages of secondary literature and a trove of secondary quantitative data. The combination of secondary literature/data and stakeholder interviews, with more than 90 unique individuals, helped us to gain a deep understanding of the cacao supply chain in Colombia and to develop trusting relationships with everyone involved – from the largest Colombian firms to the smallholder farmers from isolated indigenous populations. This bridging social capital paved the way for us to guide a group of 40 key stakeholders in a facilitated discussion workshop that served to increase buy in for stakeholder-driven recommendations that were proposed for the sector.

Results and Recommendations:

Colombia has been a net importer of cacao beans for many years because of their cultural practices of drinking chocolate as a beverage. Because of this, cacao farmers have always had a ready market for their crop. Now, as the government seeks ways to use cacao as a driver for increasing producer income and to offer a legal alternative to growing illicit crops, we found that it was key to our analysis to foster input from a diverse group of stakeholders and to challenge the conventional thinking of decision makers.

Some of the most pressing problems identified in this analysis included low yields per area, poor farm to market infrastructure, limited social capital between supply chain stakeholders, a lack of organized producer associations that function as a profitable business enterprise, the significant influence of donor aid following the peace process and a fragmented portfolio of parallel Extension services offering technical assistance and support.

Stakeholder consensus revolved around realizing the need to strengthen producer organizations, seek out ways to increase productivity, create forums for better integration within the sector, and improving market capacity of the sector. Recommendations from this applied research were shared with Colombian policymakers and other government officials, Colombian cacao industry sector stakeholders, domestic and international non-governmental organizations, American donor agencies and Colombian academic institutions.

