

## Improving quality and capacity of the cocoa supply chain in Cameroon (AID 11613)

***February, 2023***

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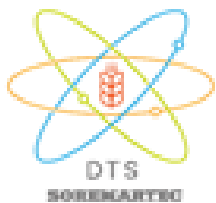
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## Executive summary



AMÉLIORATION DE LA QUALITÉ  
ET CAPACITÉ DE LA FILIÈRE  
CACAO AU CAMEROUN  
(AID 11613)

**FERRERO**



AGENCE ITALIENNE  
POUR LA COOPÉRATION  
AU DÉVELOPPEMENT



- ❖ **Total Project Budget:** € 399,088.00
- ❖ **Ferrero co-funding :** € 224,861.95
- ❖ **AICS co-funding :** € 174,226.05 for tenders regarding on-going projects
- ❖ **Duration :** 3+1 Years (11.02.2019 – 12.02.2023)
- ❖ **Lead agency for AICS:** Ferrero Trading Lux (Sustainability Unit)



## PROJECT RATIONALE

- **Support Ferrero's sustainability strategy** regarding sustainable sourcing of raw materials, in particular of high-quality cocoa beans, within the **Ferrero Cocoa Charter framework strategy**.
- The latter aims for a cocoa sector where production creates value for all, benefitting farmers and their communities, while protecting, at the same time, people and the environment.
- Such strategy promotes the adoption by farmers of **sustainable Agricultural Best Practices (ABP)**, cocoa sourcing through cocoa traceability, independently managed sustainability standards and certification systems.

**FERRERO**



# PROJECT GOVERNANCE



AGENZIA ITALIANA  
PER LA COOPERAZIONE  
ALLO SVILUPPO

FTL SUSTAINABILITY

**F**Procurement & HCo  
Hazelnut Company

DTS R&D Raw Materials



MFEP

**MICHELE FERRERO**  
ENTREPRENEURIAL PROJECT



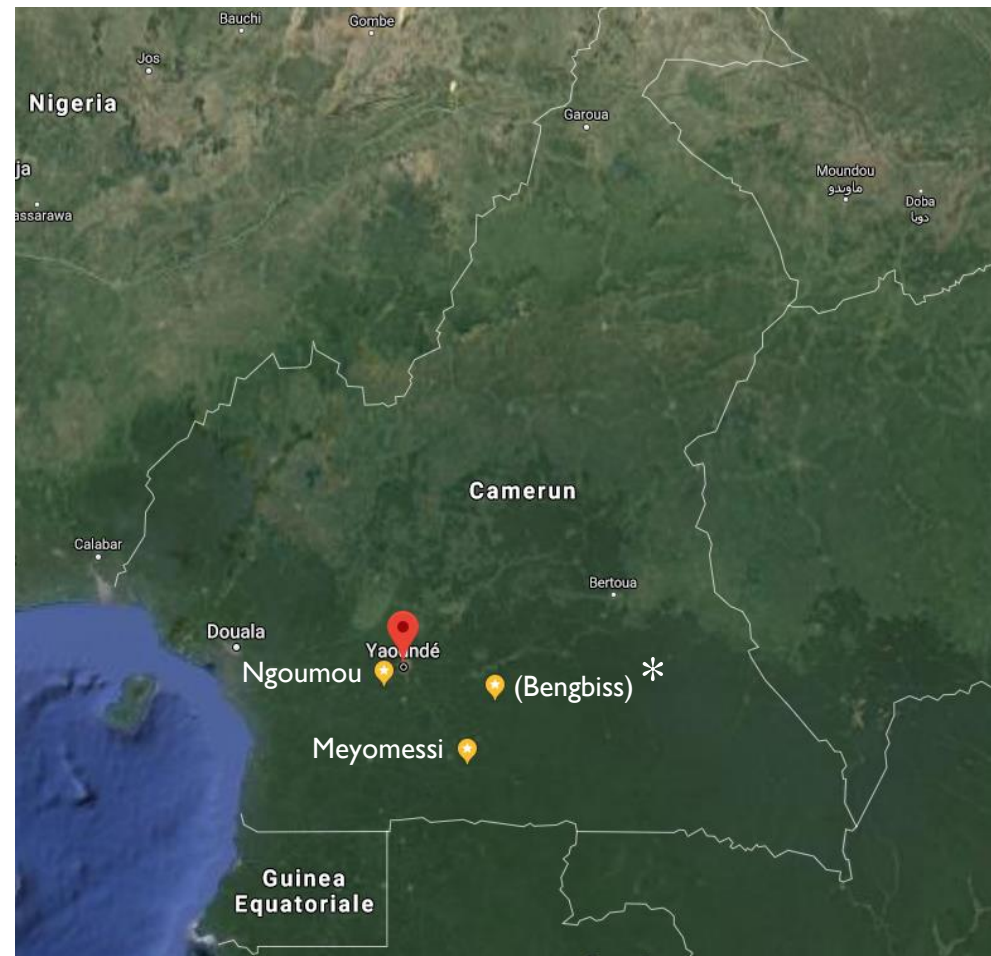
Bean&Co



FERRERO CAMEROON

International Trading for Cocoa  
Development





\* Bengbiss, originally included in the project, was later excluded



## MAIN PROJECT OBJECTIVES

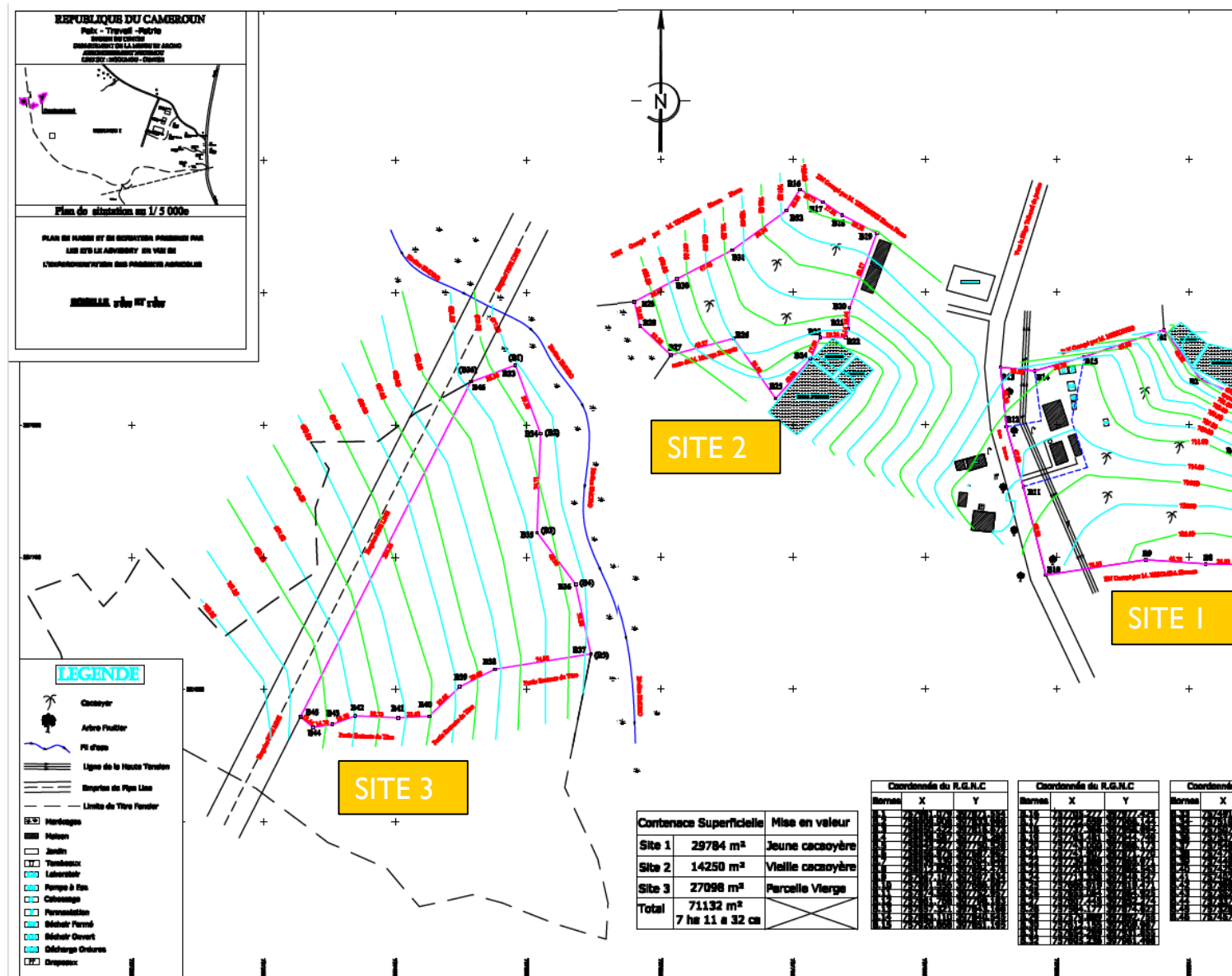
1. **Promote the use and dissemination of sustainable agricultural best practices** on at least 170 ha of cocoa plantations
2. **Promote Agricultural Best Practices (ABP)** to at least 180 cocoa farmers
3. **Increase per ha cocoa production**, by farmers, of ca. 100 % (from ca. 0.4 T/ha to ca. 0.8T/ha)
4. **Increase total cocoa production**, by farmers, from ca. 68 T to ca. 180 T
5. **Increase quality of farmers' cocoa yields**
6. **Increase seasonal workforce employed** on cocoa plantations
7. **Increase farmers' revenue** resulting from increased cocoa production capacity and improved cocoa quality

1. **Set up a Model Trial & Demonstration Farm at Ngoumou** to test and show-case Agricultural Best Practices (**ABPs**), with the support also of **BEAN & CO.**, an internationally renown Israeli agricultural engineering consultancy business.
2. **Implement outreach training activities on Agricultural Best Practices (ABPs)** for cocoa farmers around Ngoumou and especially in the **Meyomessi area**, with the assistance also of **Beyond Beans**, an international service provider organization specialized in supporting sustainable agricultural activities and implementing quality certification systems, through the “**Écoles paysans**” methodology.
3. **Purchase – also through premium payments - of certified sustainable quality cocoa beans** from farmers participating in the project.



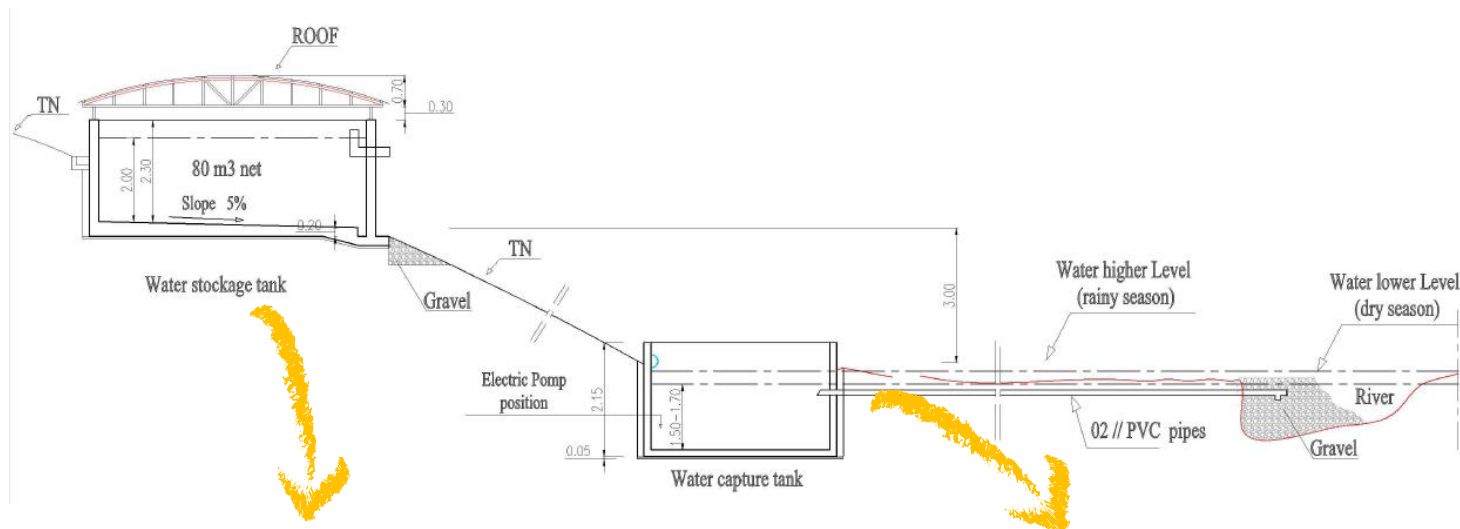
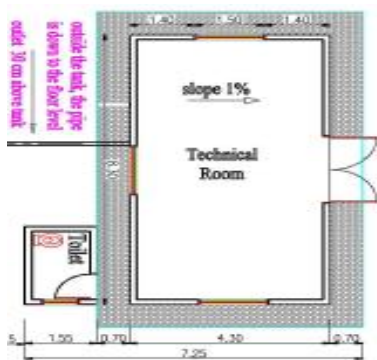
# Setting up a 8.1 ha Model Trial & Demonstration Farm at NGOUMOU

- **Period:** 12 February 2019 (official beginning)
- **Work operations:**
  - Regeneration of an old 2.9 ha plot (site 1)
  - Improvement of a young 2,4 ha plot (site2)
  - Installation of a ferti-irrigation system on a virgin 2.8 plot (site 3)
- **Rationale:** Test Agricultural Best Practices on diversified cocoa plantations



# Ngoumou - Model Trial & Demonstration Farm

## Construction of a ferti-irrigation system on plot 3







Nursery implementation



Weekly test & control of ferti-irrigation system



Main underground canalisation system



# NGOUMOU - Model Trial & Demonstration Farm: Agronomical activities on Plots 1 & 2

Initial situation: goods trees, healthy, green with good vigor and some pods. However, more than 40% of the pods were affected by insect damages. Several pods were affected by *phytophthora* and most trees were without pods

In-field training activities on following topics:

- General physiology of the cocoa tree
- Roots, trunk, branches, leaves and fruit
- Soil, as capital of the farm / general topics
- Local varieties of cocoa / ICS95-IMC67
- Structure of good trees
- Intensive pruning
- Use of fertilizers
- Propagation by selected clones
- Sprayer training
- Safety and use of personal protective equipment (PPE)





## “Écoles paysans” methodology used by Beyond Beans:

- Organization of information/awareness public events at village level on Agricultural Best Practices (ABPs)
- Enrollment of interested farmers in ABPs training programs
- Selection and training of Lead Farmers on ABPs
- Trained Lead Farmers, in turn, to train– on their own cocoa plantations (called «Écoles paysans») - small groups of other village farmers on ABPs
- Approach used: «teaching by showing & learning by doing»



## Main training topics:

- Soil cleaning
- Shading of plants
- Pruning
- Grafting
- Use of insecticides
- Use of fertilizers



# Project Implementation Phases

Implementation Phases	Main Objectives	Main Focus of Field Activities
<b>Phase 1</b> <b>11.02.2019 - 11.02.2020</b>	<ul style="list-style-type: none"> <li>- Laying out the project foundations</li> </ul>	<ul style="list-style-type: none"> <li>- Setting up the Model Trial and Demonstration Farm (MTDF) at Ngoumou</li> <li>- Purchasing, shipment, installation and testing of ferti-irrigation equipment items</li> <li>- Most civil work constructions finalized at MTDF plot 3</li> <li>- Supporting the establishment of cocoa farmers cooperatives willing to engage in project implementation</li> </ul>
<b>Phase 2</b> <b>11.02.2020 - 11.02.2022</b>	<ul style="list-style-type: none"> <li>- Implement project activities despite widespread constraints and delays caused by Covid-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>- Upgrading cocoa plantations at MTDF at Ngoumou</li> <li>- Services agreement signed with Beyond Beans (BB)</li> <li>- BB Écoles Paysans training modules launched in the Meyomessi area</li> <li>- Sustainable cocoa produced by project farmers at Meyomessi certified and bought by Ferrero Cameroon</li> <li>- One year project extension requested to AICS</li> </ul>
<b>Phase 3</b> <b>11.02.2022 – 11.02.2023</b>	<ul style="list-style-type: none"> <li>- Finalize project activities</li> </ul>	<ul style="list-style-type: none"> <li>- Finalization of training activities at Meyomessi and Ngoumou</li> <li>- Consolidation of project data collection</li> <li>- Implementation of an impact assessment of project outcomes</li> <li>- Implementation of project video documentations</li> </ul>



Project Implementation Period	Status of Progress Reports and Documentation
Year 1 - 11.02.2019 - 11.02.2020	<ul style="list-style-type: none"> <li>- Financial and technical reports forwarded to, and endorsed by, AICS</li> <li>- Video documentation of project field activities forwarded to AICS and posted on AICS and Ferrero MFEP websites</li> </ul>
Year 2 - 11.02.2020 - 11.03.2021	<ul style="list-style-type: none"> <li>- Financial and technical reports forwarded to AICS</li> <li>- AICS amendment requests currently being processed</li> </ul>
<b>11.02.2023 : deadline for finalization of all field project activities</b>	
Year 3 & 4 - 11.03.2021 – 11.02.2023	<ul style="list-style-type: none"> <li>- Financial and technical reports to be submitted to AICS by 11.08.2023</li> <li>- Assessment report on final project outcomes: in progress</li> <li>- Video documentation of final project outcomes: in progress</li> </ul>
<b>11.08.2023 : deadline for submission of all reports and documentation materials on project year 3 &amp; 4</b>	

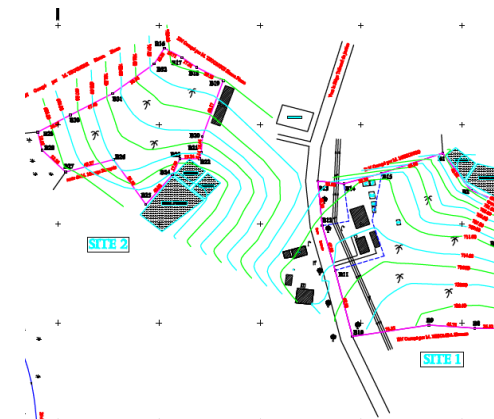
## Preliminary project outcomes/1

	Original project objectives	Achieved?			Comments
		YES, fully	YES, in part	NO	
1	Promote the use and dissemination of sustainable agricultural practices on at least 170 ha of cocoa plantations	X			The combined total surface of cocoa plantations of all farmers participating in the project was far above the original project target of 170 ha
2	Promote Agricultural Best Practices (ABP) to at least 180 cocoa farmers	X			About 317 farmers attended public information/awareness events on Agricultural Best Practices promoted by the FTL-AICS project; two third of such farmers, eventually, registered in the project
3	Increase per ha cocoa production, by farmers (of ca. 100 %, i.e. from ca. 0.4 T/ha to ca. 0.8T/ha)		X		<ul style="list-style-type: none"> <li>Surveyed farmers reported an increase - per ha - of cocoa production capacity on their farms.</li> <li>The accuracy of such claim could be inferred based only on pre-/post- total cocoa production capacity on their plantations.</li> <li>In any case, such combined average increase was below 100 %</li> </ul>
4	Increase total cocoa production, by farmers (from ca. 68 T to ca. 180 T)		X		<ul style="list-style-type: none"> <li>By project end, the combined total cocoa production achieved was above 500 T, i.e. well above the project target objective of 180 T.</li> <li>However, only 6.5% of surveyed farmers reported production increase of above 150%</li> </ul>

	Objectives	Achieved ?			Comments
		YES, fully	YES, in part	NO	
5	Increase quality of farmers' cocoa yields	X			<ul style="list-style-type: none"> <li>81,3 % of surveyed farmers claimed a significant reduction in cocoa production losses resulting from fungicides, pesticides and other causes.</li> <li>Such claim could be corroborated by: a) empirical evidence; b) improvement of quality test outcomes performed by Ferrero on purchased cocoa beans; c) certified and traceable cocoa – outsourced from the project areas - was already feeding ca. 50% of the cocoa processed by the Ferrero plant at Yaoundé, by 2022.</li> </ul>
6	Increase seasonal workforce employed on cocoa plantations (of ca. 5-10%)		X		<ul style="list-style-type: none"> <li>Only 56 % of surveyed farmers reported limited (i.e. below project target objective of + 5-10 %) increased use of seasonal workforce after joining the project</li> </ul>
7	Increased farmers' revenue (by ca. + 100 % as a result of increased cocoa production capacity and improved cocoa quality)		X		<ul style="list-style-type: none"> <li>Increased household incomes at project end were claimed by most surveyed farmers.</li> <li>However, it was difficult to assess the real cause of such claim which included, most likely, income not only from cocoa but also from other crops</li> <li>In any case, only 14 % of surveyed farmers reported revenue increase of 100 % and above</li> </ul>



# Model Trial & Demonstration Farm at Ngoumou: preliminary project outcomes/plot 1 & 2



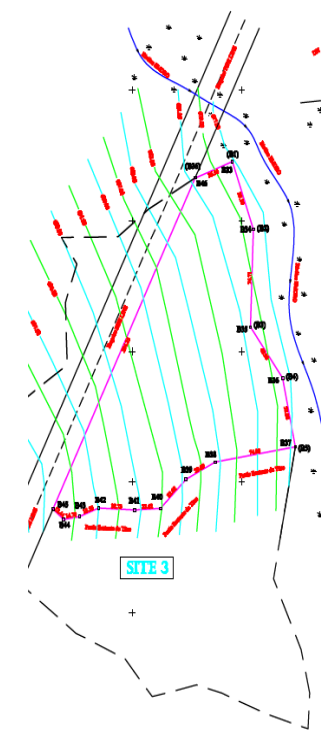
Plots	1(kg/ha)	2(kg/ha)	3(kg/ha)
Y1	912	264	-
Y2	1384	436,5	-
Y3	1394	230	-
<b>tot</b>	<b>3690</b>	<b>930,5</b>	<b>1° production expected in 2023</b>



**FERRERO**



## Model Trial & Demonstration Farm at Ngoumou: preliminary project outcomes/plot 3



Total cost 174.226,05€

Land rent 18Y



## **Model Trial & Demonstration Farm at Ngoumou: project outcomes / plot 1 & 2**

**Before project start**





At project end



## **Mid-term Scenario (next 2-3 years)**

Ferrero to continue covering the maintenance costs of Plot 3 with the aim to:

- preserve - and capitalize on - the investment made on it thus far;
- continue using the plot for research, trial and demonstration purposes;
- keep on sustaining it financially until the time (estimated break-even point: within 3 years) when the revenue made from the cocoa yielded on such plot will be sufficient to cover for its maintenance costs

## **Long-term Scenario (after the next 2-3 years)**

Ferrero to endeavor to scout for a third party – either a local/international business organization or agricultural research and training organization - interested in taking over the management of Plot 3



1.

