The Philippines Cacao Roadmap Defined:  
**Strategic Action Plan**

Filipino family of five needed PhP 6,274 monthly income in 2006 to stay out of poverty!

<table>
<thead>
<tr>
<th>Family size</th>
<th>Required income (in PhP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Daily</td>
</tr>
<tr>
<td>1</td>
<td>41</td>
</tr>
<tr>
<td>2</td>
<td>83</td>
</tr>
<tr>
<td>3</td>
<td>124</td>
</tr>
<tr>
<td>4</td>
<td>165</td>
</tr>
<tr>
<td>5</td>
<td>206</td>
</tr>
<tr>
<td>6</td>
<td>248</td>
</tr>
<tr>
<td>7</td>
<td>289</td>
</tr>
<tr>
<td>8</td>
<td>330</td>
</tr>
</tbody>
</table>

PressCon on the 2006 Official Poverty Statistics  
RAV5 March 2008  
NATIONAL STATISTICAL COORDINATION BOARD
<table>
<thead>
<tr>
<th>in beans equivalent, in mt</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>consumption</td>
<td>26,693</td>
<td>26,579</td>
<td>27,942</td>
<td>28,880</td>
<td>27,105</td>
</tr>
<tr>
<td>production</td>
<td>5,693</td>
<td>5,648</td>
<td>6,061</td>
<td>6,089</td>
<td>6,137</td>
</tr>
<tr>
<td>import</td>
<td>30,987</td>
<td>30,158</td>
<td>30,281</td>
<td>30,691</td>
<td>29,380</td>
</tr>
<tr>
<td>export</td>
<td>9,987</td>
<td>9,227</td>
<td>8,400</td>
<td>7,900</td>
<td>8,412</td>
</tr>
</tbody>
</table>
Development Potentials for Sustainable Cacao Production in the Philippines

- Warm acceptance of the smallholder cacao production approach among farmers.
- Renewed interest and willingness to collaborate for the promotion of sustainable cacao production in the national and local governments, and domestic and international development organizations.
- Availability of suitable land areas, i.e., existing over 2.0 million hectares mono-cropped coconut farms,
- Presence of markets, both local and foreign, that could be organized into workable production-market system.
- Supportive institutions and policies.

<table>
<thead>
<tr>
<th>AREAS with INITIAL INTERVENTIONS</th>
<th>existing areas planted to coconut</th>
<th>developing 10% of the areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAR (Apayao)</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Cagayan Valley</td>
<td>11,980</td>
<td></td>
</tr>
<tr>
<td>MIMAROPA</td>
<td>32,000</td>
<td>3,200</td>
</tr>
<tr>
<td>Bicol Region</td>
<td>242,644</td>
<td>24,264</td>
</tr>
<tr>
<td>Western Visayas</td>
<td>30,532</td>
<td>3,053</td>
</tr>
<tr>
<td>Zamboanga Peninsula</td>
<td>207,626</td>
<td>20,763</td>
</tr>
<tr>
<td>Davao Region</td>
<td>370,496</td>
<td>37,050</td>
</tr>
<tr>
<td>ARMM (Basilan)</td>
<td>67,763</td>
<td>6,776</td>
</tr>
<tr>
<td>CALABARZON</td>
<td>343,023</td>
<td>34,302</td>
</tr>
<tr>
<td><strong>total</strong></td>
<td><strong>1,306,106</strong></td>
<td><strong>130,611</strong></td>
</tr>
</tbody>
</table>
Areas with Initial Interventions

- North Luzon: Apayao; Isabela; Cagayan & Kalinga
- Bicol Region: Camarines Sur; Sorsogon & Albay
- Panay: Iloilo & Antique
- MiMaRoPa: Palawan
- Southern Mindanao: Davao City; Sur; Norte & Oriental; ComVal
- Western Mindanao: Zambo City; Norte & Sibugay
- ARMM: Basilan
  - Aurora
  - Quezon Province

Nurseries and Bud wood Gardens

72 Sites for Nursery/Planting Materials Propagation are set to produce no less than 1.0 million seedlings

68 Budwood Garden/Scion Groves were established in strategic sites
Farmers Training

- About 15,000 farmers completed the FFS sessions, of which almost 12,000 are ‘new cacao farmers’

Good Agricultural Practices

Use of pod husks and other farm wastes into compost making

deployed 23 units of shredders
Good Agricultural Practices

• Tree Nutrition

Frequent harvesting

• Rehabilitation of old trees

Good Agricultural Practices

Proper Pruning and sanitation

Pods Sleeving

Technology, tools and materials are being provided to participating farmers
Improved Post-Harvest Practices

Support for construction and/or rehabilitation of post-harvest facilities are extended to farmers' groups

Approval & Registration of the Philippines National Standard for Cacao Beans (PNS/BAFPS No. 58-2008)
Real, Strong, and Sustained PUBLIC-PRIVATE PARTNERSHIPS
In 2010 world grindings of cocoa beans is projected at 3.6 million tons, reflecting an average annual increase of 2.1 percent.

Consumption will continue to be concentrated in developed counties, which are expected to account for 64 percent of world cocoa consumption in 2010.

Consumption in these countries is projected to increase at an annual rate of 2.2 percent in 2010.

In Japan, imports are expected to increase from annual average at 48,000 tons in 1998-2000 to 56,000 tons in 2010.
• According to Packaged Facts, a consumer goods research company, the strong consumer interest in the reported health benefits of dark chocolate and a general trend towards product premiumization (including organic and fair trade products) are the main drivers in current market growth.

• Packaged Facts estimates that premium chocolate sales will continue to expand, commanding 25 percent of the market by 2011 and generating $4.5 billion in sales.

<table>
<thead>
<tr>
<th>Cocoa year (Oct-Sep)</th>
<th>2007/08</th>
<th>2008/2009</th>
<th>Year-on-year change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Previous estimates a/</td>
<td>Revised estimates a/</td>
<td>Forecast</td>
</tr>
<tr>
<td>(thousand tonnes)</td>
<td>(Per cent)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>World production</td>
<td>3 684</td>
<td>3 705</td>
<td>3 520</td>
</tr>
<tr>
<td>World grindings</td>
<td>3 724</td>
<td>3 736</td>
<td>3 678</td>
</tr>
<tr>
<td>Surplus/deficit b/</td>
<td>- 77</td>
<td>- 88</td>
<td>- 193</td>
</tr>
<tr>
<td>End-of-season stocks</td>
<td>1 493</td>
<td>1 490</td>
<td>1 297</td>
</tr>
<tr>
<td>Stocks/Grindings ratio</td>
<td>40.1%</td>
<td>39.7%</td>
<td>35.3%</td>
</tr>
</tbody>
</table>
Approach: Growth modules

Local enabling environment

- Improved production techniques
- Effective extension services
- Dynamic market & market information system
- Applicable credit schemes

Primary Characteristics of a module:

- farmers’ willingness to participate in opportunities for equitable growth & development
- agronomically suitable lands with high potential for expansion
- accessibility, i.e., transportation, communication
STRATEGIES

- Direct intervention measures
- Address inefficiencies in commodity supply chain
- Implement policies, regulations & trade measures
- Encourage private sector and LGU/public investments

the cacao agribusiness zones

- module consisting of minimum 500 hectares cluster of farms
- dynamic post-harvest centers to serve as accessible markets for cacao beans and for other crops produced in the area
- enable farmers produce quality products thru activities that promote good agricultural practices, influence productivity, and crop protection strategies to minimize production losses
- access to quality planting materials
- technology, market & industry information hub
Post-Harvest Facilities

- demonstrate appropriate post-harvest practices to achieve the quality of cacao beans needed in the global cacao market
- serve as models for management & operations of post harvest facilities for cacao in a competitive, profitable and sustainable manner, and thereby, encourage private sector investments.

Fermentation Area
Solar & Artificial Dryers

Capacity Building
Propagation of Quality Planting Materials

The Philippines Cacao Roadmap

**Key Result Areas:**
- At least 50 million cacao trees planted
- Improving land asset value of coconut farms
- At least 100,000MT exportable quality cacao beans
- P60,000 to P80,000 additional annual income per hectare

**Investment Areas:**
- Fermentation & Drying Centers establishment & operation
- Accreditation, Licensing PH centers
- Means of Markets, Price Info Dissemination
- Packing houses

- Quality Planting Materials
- Farming inputs assistance for crop nutrition & protection
- Research/Institution to formulate & continue improving the GAP

- Enabling Farmers on:
  - Good Agricultural Practices;
  - Business Skills
- Core of capable Extension Agents
- Farm-based Technology Resource Centers

**Investment Areas:**
- Loan schemes, credit windows
- Implementation of PNS for cacao
- Program on R & D
- Policies on trading, exporting, logistics

**Improved Production Techniques**
**Efficient & Effective Extension Services**
**Transparent & Dynamic Market & Market Information System**

Enabling policies and regulations
### OUR GUIDING PRINCIPLE

- Stakeholders' effective partnership and collaborations, unified by common perspectives in responsible management and use of natural resources for the creation of economic wealth to attain stability, working under the core strategies of:
  - Timeliness in the dissemination of appropriate information, technology, extension & support services, and strengthened networks to facilitate access to businesses and livelihoods for expanded economic opportunities for the farmers and the rural populace.

---

**“Poverty is unnecessary. People are capable of getting themselves out of poverty. All they need is opportunities. They are not waiting for charity or handouts. Charity is good, but it is not good enough. If you turn it into a business proposition, then it’s very powerful, because it can run on its own steam.”**

Muhammad Yunus, Grameen Bank, Founder and Managing Director.

---

**salamat po!!!**