

Making Quality Strides in Liberia

Marketing Enhancements in the Liberian Cocoa Sector

Demanie Musu B. Flomo, BSc
Republic of Liberia
e: dmflomo25@yahoo.com
m: +231 6-608-158 / 77-349-966
Skype: dmusub1



Acknowledgements

- USDA/FAS - http://www.fas.usda.gov/icd/borlaug/Special_Programs/Cocoa.asp
- World Cocoa Foundation - <http://www.worldcocoafoundation.org/>
- University of Tennessee
 - Department of Agricultural Economics
 - Department of Food Science and Technology
 - University of Tennessee Soil, Plant and Pest Center
 - UT Extension (including Humphreys, Montgomery and Morgan Counties!)
- Adrian, Ami, Johnny and Rachel Carr



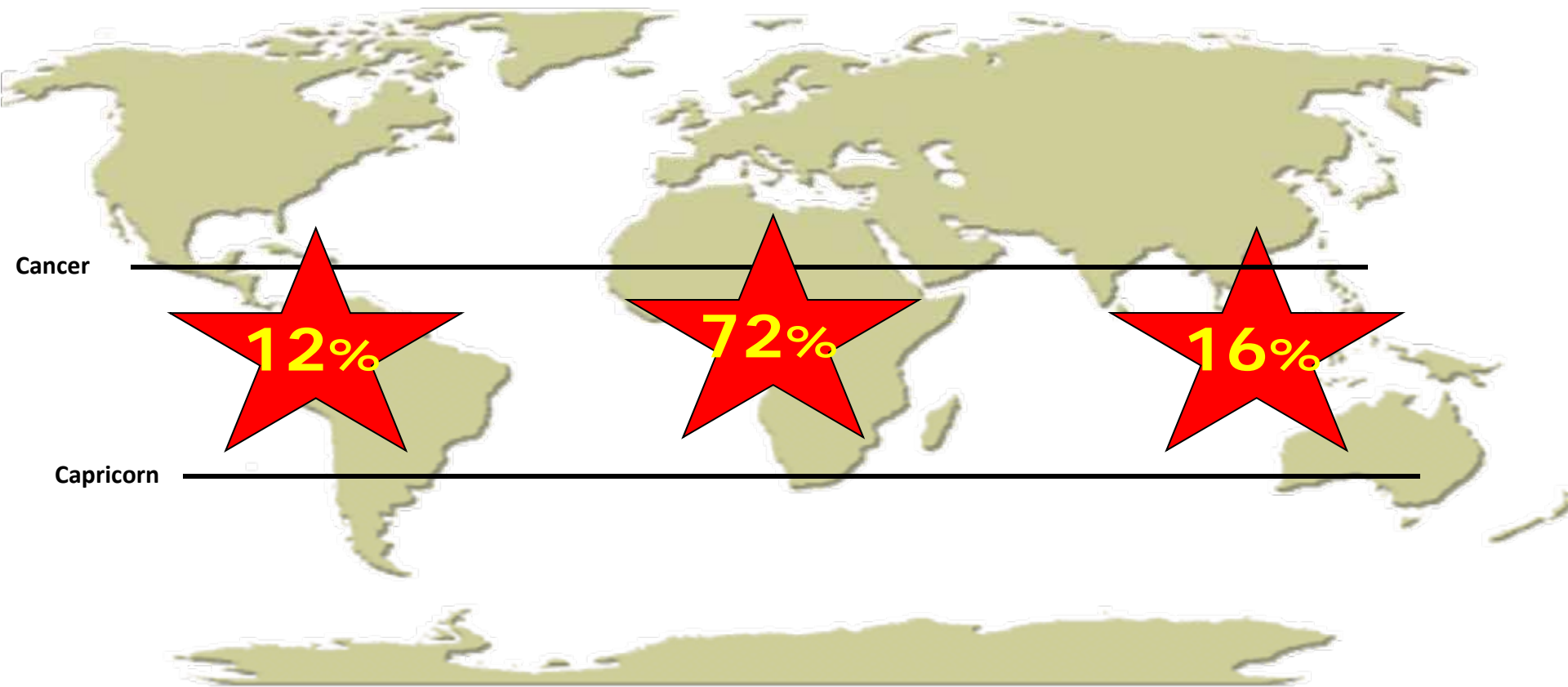
Acknowledgements

- Field Trip Destinations

Camden Intl Commodities Terminal	The Hershey Company	Mars Snackfood US
The Cocoa Tree	Olive and Sinclair	Vienna Coffee Company

- STCP/IITA-Liberia
- Honorable Senator Findley-RL
- Mr. Ed Seguine-Mars

World Cocoa Production



Cocoa Background

- Vast majority of cocoa is exported from tropics to US & EU
- Cocoa plays an important role in some African economies as a main export good and source of foreign exchange



Cocoa Background

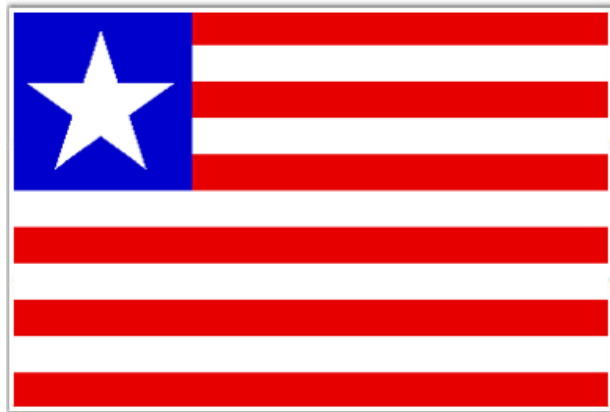
- Smallholder farmers (< 5 hectares) typically grow this cocoa, which generates work opportunities for an estimated 10.5 million Africans



(ICCO)

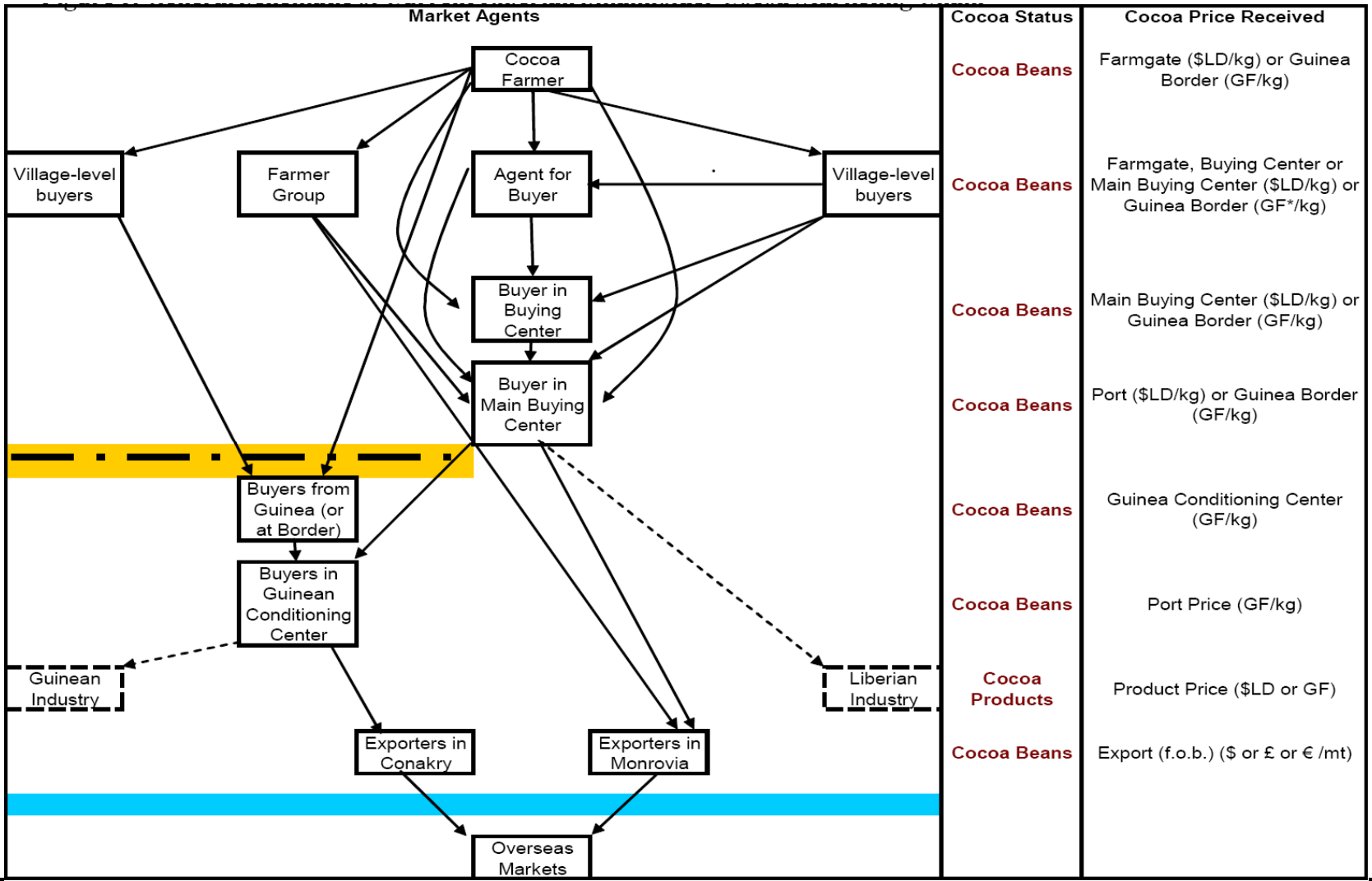


Liberia

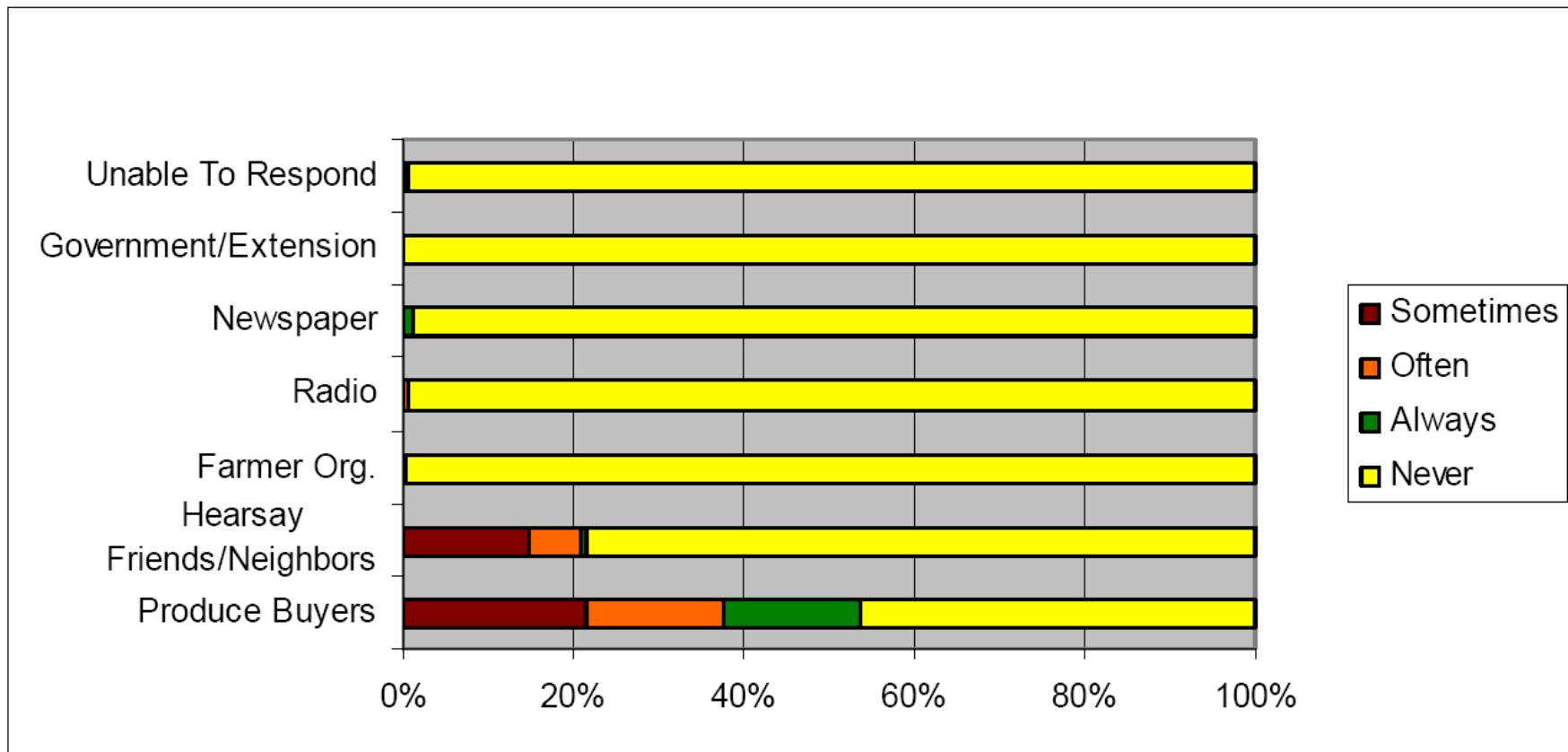


Source: <http://www.humanitarianinfo.org/>

Liberian Cocoa Marketing Chain

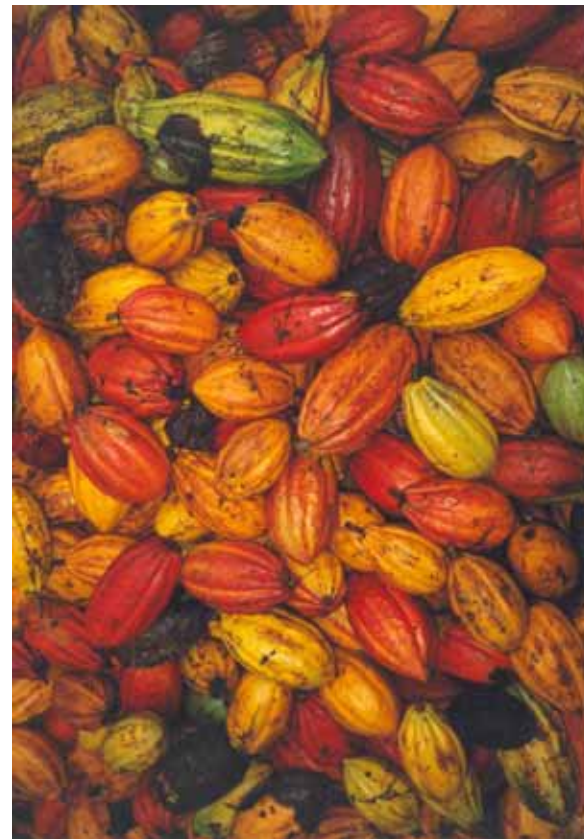


Sources of Market Information for Liberian Cocoa Producing Households Surveyed



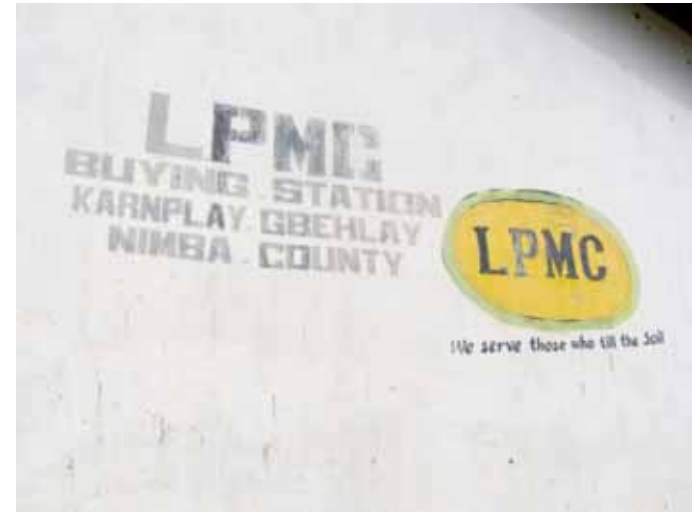
Quality Differentiation

- Quality Characteristics
 - Humidity
 - Mold
 - Fermentation
 - Bean Size
 - Foreign Matter
 - Smokiness
 - Free Fatty Acids



Quality Differentiation

- Inconsistent Grading
- Lack of Accurate Quality Assessment Capacity from Farmgate to Port
- Discounts
 - Reason: Low quality or lack of information
 - Magnitude: Approx \$350/mt on world market
 - Loss to Farmers: Prices in Liberia ~30% of world versus 50-80% in other African countries



Quality

- Liberian cocoa has built a reputation for poor quality
- Improper post-harvest processing and handling is pervasive and has led to significant origin discounts on the world market
- Low quality has been institutionalized as the LPMC created a market for “fair average quality” cocoa that bears no resemblance to industry or international standards.
 - This situation has been perpetuated further by the operation of Guinean traders who purchase sub-grade cocoa and the influx of poorly handled Ivorian cocoa.
- There is a lack of incentives throughout the domestic marketing chain to:
 - Properly produce and post-harvest process quality cocoa
 - Ascertain the actual grade of cocoa at the Farmgate
 - Maintain cocoa quality during procurement
 - Purchase, with a premium at every link in the marketing chain, quality cocoa.

Objectives

Overall objective :

- To examine how institutional arrangements and market agents effect market efficiency and cocoa quality

Specific objectives:

- Evaluate market information system options for Liberian cocoa sector
- Appraise post harvest techniques and methods of quality determination necessary for Liberia to meet international standards



Liberia  United States

TRAINING ACTIVITIES

UNIVERSITY OF TENNESSEE - KNOXVILLE





@ University of Tennessee - Knoxville

- Discussed topics and worked with mentor to develop follow-on activities
- Used books, articles, journals and electronic resources to compare market information systems and learn more about post-harvest practices
- Participated in an in-service webinar training on marketing organics
- Attended in-service on agricultural economic outlook for 2010
- Worked with Dr. Joseph Donaldson to develop a logic model
- Met with Extension staff and discussed how Tennessee Extension operates across the state



Working with Dr. Mount

- Attended the freshman seminar class “Chocolate Unwrapped”
- Learned about the health benefits of chocolate
- Gained experience roasting, cracking, winnowing and grinding cocoa beans





Borlaug Fellowship Program

Soil, Plant & Pest Center



UTK Extension

Central Region Office
Animal Science
Soil, Plant and Pest Center

UNIVERSITY OF TENNESSEE



<http://soilplantandpest.utk.edu/default.htm>

5201 Marchant Drive, Nashville, TN 37211-5112



THE UNIVERSITY of
TENNESSEE **UTK**

INSTITUTE of
AGRICULTURE

Humphreys County

- Attended the e-commerce seminar in Humphreys County
- Visited the Farmer's CO-OP in Humphreys County



Liberia



United States

TRAINING ACTIVITIES

USDA AND WORLD COCOA FOUNDATION

PARTNERS



World Food Prize Symposium



www.worldfoodprize.org

Des Moines, IA





Camden Intl Commodities Terminal



1200 Ferry Ave, Camden, NJ 08104-1810





HERSHEY'S

The Hershey Company



<http://www.hersheys.com/>

100 Crystal A Dr., Hershey, PA 17033





Mars Snackfood, Inc.



MARS
snackfood



www.mars.com

295 Brown St, Elizabethtown, PA 17022-2127

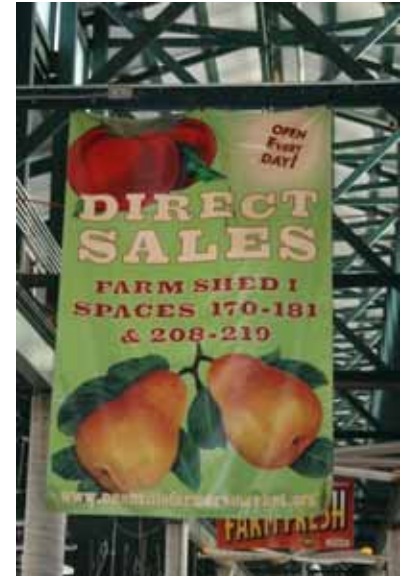


Liberia  United States

TRAINING ACTIVITIES

TROPICAL TREE CROPS AND TENNESSEE

Nashville Farmers Market



<http://www.nashvillefarmersmarket.org/>
900 Rosa Parks Blvd., Nashville, TN 37208

The Cocoa Tree



www.thecocoatree.com

1200 5th Ave N, Nashville, TN 37208



Olive and Sinclair



<http://www.oliveandsinclair.blogspot.com/>

1404 McGavok Pike, Suite C, Nashville, TN 37216



Vienna Coffee Company



www.viennacoffeeco.com

106 Everett Avenue, Maryville, TN 37804

United States → Liberia

FOLLOW-ON ACTIVITIES

Latest Developments

GRADE	FARMGATE PRICE (\$US/KG)	MOISTURE CONTENT MAXIMUM	DEFECTIVE CONTENT MAXIMUM	SLATY CONTENT MAXIMUM	COUNT TEST grams/bean MAXIMUM
1	1.70	7.5%	4.0%	4.0%	100/100
2	1.45	7.5%	4.0%	8.0%	100/110
3/FAQ	1.28	7.5%	12%	15%	100/120
SUBGRADE	0.85	7.5%	Above 12%	Above 15%	n/a

Issues

- How to disseminate information to farmers?
- How to enable farmers to use the information?
 - Prices
 - Quality
- How to help farmers determine grade?
- How to connect farmers with end product?

Follow-on Activities

- Design a market information system that is implementable in Liberia
- Develop training materials to train individual farmers, cooperatives, and farmers' groups about best post harvest practices and quality control
- Connect farmers with the expectations of downstream users