FARMGATE COCOA ALLIANCE
COCOA ENTREPRENEURSHIP PROJECT
EMPOWERING SMALL-SCALE COCOA FARMERS
1. Who is a Cocoa Entrepreneur

To safeguard the cocoa farming business, we must make sure the entire supply chain is sustainable and profitable for farmer and company. Farmer must have better tools and seedlings to increase yield paving the way for better income, improve living standards and ensuring a long-term supply.

Farmgate Cocoa Alliance believes, cocoa farming is not just a way of live for farmers (smallholder), it is also a profession for them. To become a successful cocoa entrepreneurs farmers must be able to acquire the skills and knowledge on better farm management and entrepreneurship. Why?

Entrepreneur farmers is about planning, healthier implementation skill, better farm managing technics and the ability to control farm and personal risks. We recognise that entrepreneurship is about looking forward—identifying opportunities, creating a vision of how your business can grow, innovating and taking deserve risks. A farmer who think and manage farm as a business, has the potential to grow their cocoa crop in a sustainable manner. Entrepreneurial oriented farmers look at their farms and adopt ways to make their farms more profitable; develop ideas and translate such ideas into action. A sustainable entrepreneur needs more than just short-term income but must focus on long-term benefits. As a result, to be a successful entrepreneur, you need advance ideas, to create opportunities, and acquire the resources.

“Entrepreneurship combines personal, quality, knowledge, skills and need the capacity to continuous improve management competencies”

Farmers in the cocoa sector, have challenges to cope within their everyday lives as cocoa entrepreneurs, specifically the unorganised (smallholders).

Some of the challenges are:

- Lack of farm resources like inputs, hybrid seed, fertilizers, herbicides, irrigation and farm management
- Zero access to financial services such as loans, pension benefits and sustainable income.
- Limited value addition to cocoa products and risk benefits
- Insufficient cocoa farming manpower and skills
- Diseases and pests control treats
- Limited access to sustainable and quality input and output markets
- Emerging threats to create new cocoa farms as a result of deforestation.
- Climate change
To effectively create change in the cocoa value chain, we must address problems at farmer level, whereby initiatives often fail to have long-term effect. FCA has recognise the following key challenges addressed for the long-term.

**EMPOWERING SMALL-HOLDERS**
- Through education, capacity building and resource access, farmers can be empowered, leading to entrepreneurship and engagement with the value chain, and encouragement of youth involvement.

**COCOA FARMING PROFESSIONALISATION**
- To secure a sustainable supply of cocoa that has positive sustainability impact, professionalisation of cocoa farming is required to stimulate business independence and growth among cocoa farmers

**INCREASING SUSTAINABLE COCOA PRODUCTION**
- To secure the value chain, sustainable cocoa production is required in terms of economics, environment and social aspects, beginning with farmers.

**IMPROVE TRACEABILITY**
- By identifying, grouping and training farmers and providing direct market access, cocoa can be sourced directly from farmers, with key traceability data available.

**INTEGRATE TRANSPARENCY AND ACCOUNTABILITY**
- To create a transparent value chain, we must begin with farmers and continue upwards. By linking farmers with other stakeholders, we can initiate a transparent, responsible and accountable chain.

**ERADICATE CHILD AND FORCED LABOUR**
- Cocoa farms must be free from the use of child or forced labour to allow for social development in terms of education for children and improved social stability.

**OVERCOME GENDER INEQUALITY**
- Professionalised cocoa farming should actively include women by providing them with opportunities to access training, resources and banking services so that they can become independent businesswomen.

Our Definition for Cocoa Entrepreneur
As a bottom up oriented alliance, we use our grass roots experience, to develop and implement solutions to the challenges facing cocoa farmers. However, these predictions
depend on farmers ability to identify emerging opportunities and to meet the greater competitive requirements to boost production and gain access to growing markets.

FCA Approaches to building capacity

There are three main approaches to building entrepreneurial capacity: formal sensitization, formal training programmes and non-formal capacity building programmes. Extension services focus on formal training programmes and non-formal capacity building programmes. Our training programmes are purposefully designed following a formal analysis of training needs we observed. Non-formal capacity building programmes include awareness workshops, action learning workshops, combined extension and training, business clinics, success case replication, study groups, farm field schools, farm business schools, counselling, learning networks and electronic networking.

These opportunities lie in the potential for farmers to maximize on their improvements to own and manage a lucrative and competitive cocoa business, these includes:

1) Practical knowledge and basic business skills are two of the major obstacles preventing farmers from managing successful businesses and is thus impacting on the social and economic capacity of farmers, particularly smallholders.
2) Building farmers capacity through provision of comprehensive training programmes, which include literacy, numeracy, basic business and financial skills for the farmers engaged in our activities.
3) Facilitating access to a direct market for the grouped farmers, through working together with traders and chocolate partners.

With these tools, farmers can effectively manage their cocoa farming businesses in a professional and successful manner. In addition, to continue strengthening skills is essential to maintaining a professional business. Therefore, we train individual farmers, cooperatives, associations, unions and organised groups to uphold and implement the values of our trainings.

2. Self-governing cocoa farmers

After the Capacity Building Training (smallholder) cocoa farmers, will follow the 4 key steps to become professional cocoa farmers.

1) Business registration

Farmers will register their farms as a business, resulting in recognition of cocoa farmers as independent entrepreneurs. Community Field Agents¹ (trained by Farmgate Cocoa Alliance) will facilitate the registration process by identifying farmers, gathering key farmer information and linking the farmers to the relevant commerce authority in the country.

¹ Community Field Agents (CFAs) – local representatives trained by Farmgate Cocoa Alliance in best practices that can be applied to farmer and their farming business. CFAs train their local communities in these practices and take up a long-term role of monitoring, refreshing and supporting cocoa farming and business activities.
2) Financial management

Once registered as legal entrepreneurs, farmers will have the necessary credentials to open a bank account. Community Field Agents will assist farmers in this process and connect them with a local financial service organization, who is a partner of FCA.

By having access to a bank account, farmers are able to conduct direct, transparent and recorded transactions for purchasing affordable finance to invest in their farms, access to quality farming inputs and seedlings. Direct transactions will facilitate the applicable taxes to be collected and ensure that farmers receive a fair price for their cocoa, stimulating better income generation. Farmers will have the tools to manage their financial situation.

3) Selling crop direct to market

Farmers will be linked with buyers via the Farmgate Cocoa Alliance network, to ensure transparent transactions. This reduces farmer reliance on middlemen to sell their cocoa and ensures that they are able to sell their crop at the correct value and therefore generate a fair income, reducing value distribution inequality.

We will also train and sensitize them on post-Harvest handling and Storage to better impart the knowledge to not only cooperative members but also to other community members.

3. Farmers as business managers

After (smallholder) cocoa farmers - in category 2 - have followed the Capacity Building Training, they have the tools and knowledge to practice as professional (smallholder) cocoa farmers. Farmers are trained to sustainably increase yield, using advanced technique, tools and inputs. Yield increase will also meet consumer demand and must protect the environment such as: child labour free farming and environmentally friendly farming.

4. Ageing cocoa farmers

To tackle the challenges of the ageing farming generation, we will sensitize and involve engaging interested young people in cocoa producing countries, train them to become service providers who will support ageing cocoa farmers ensure Good Agricultural Practices (GAPs):

- Land preparation and cocoa establishment
- Nursery establishment
- Weed and shade management
- Soil management
- Spraying of insecticides and other chemicals
- Fertilizer application
- Harvesting, pod breaking, fermentation and drying

They are trained to be trainers and serve as community focal points for the dissemination of agricultural information to their fellow farmers.
Based on the key steps described previously, our project and activities are implemented by our Community Field Agents (CFAs). They will set-up a monitoring/supervisory teams to ensure that farmer, farm and community level undertaking are fully transparent and meets their objectives.

Community Supervisory Teams also include specialist units that focus on a specific topic, for example, child and forced labour. The Community Supervisory Team will then communicate with the National Supervisory Team active in the relevant country to discuss progress, feedback and points for improvement. Relevant information can then be fed back to the NCWG to references and improvement of ongoing and future actions.

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