

A photograph of a cacao tree in a plantation. Several large, dark brown cacao pods are visible, some of which are covered with clear plastic bags to protect them from pests or weather. The tree has thick, dark branches and lush green leaves. The ground is covered with dry leaves and soil.

A Value Chain Analysis on the Cacao Commodity of LAMAC-MPC in Cebu

**by AMC-Philippines - Team Cacao (Jewel Cabardo, Larissa Joson,
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An Overview of the **Worldwide** Cacao Industry

- The world demand for cacao is growing at an annual rate of 3%, with the demand of China and India specifically at 7.9%
- **What are the growth drivers?**
 - A growing middle class
 - An increased discretionary household income in developing countries
 - New and innovative uses of cacao in the food, cosmetics & pharma industries
 - The positioning of cacao as health food



Even with a growing cacao industry globally, the Philippines remains unmentioned as an active player.

WHY?

An Overview of the **Philippine** Cacao Industry

Based on the Philippine Cacao Industry Roadmap

- As of 2016, the local demand for cacao is at 40,000 MT, while the supply is at 10,000 MT.
- **What are the issues affecting low yield and production volume?**
 - Aging cacao trees
 - Lack of GAP
 - Scarcity of high yielding planting materials
- There is a need to establish a sustainable and competitive cacao industry that is **environmentally sound, economically viable, and socially desirable.**



Local Cacao Through the Lens of **LAMAC MPC**

- **As one of the largest and most successful multi-purpose cooperatives, they have the capability to engage with big processors and exporters.**
- **LAMAC embarked in cacao production three years ago, with initial harvest made last July. But there is still limited capability in producing a large volume of cacao beans to meet Cebu's current demand.**
- **Until such time that LAMAC's cacao seedlings bear fruit, capacity building of members in terms of knowledge, skill, and competence—in both cacao production and processing—needs to happen concurrently.**

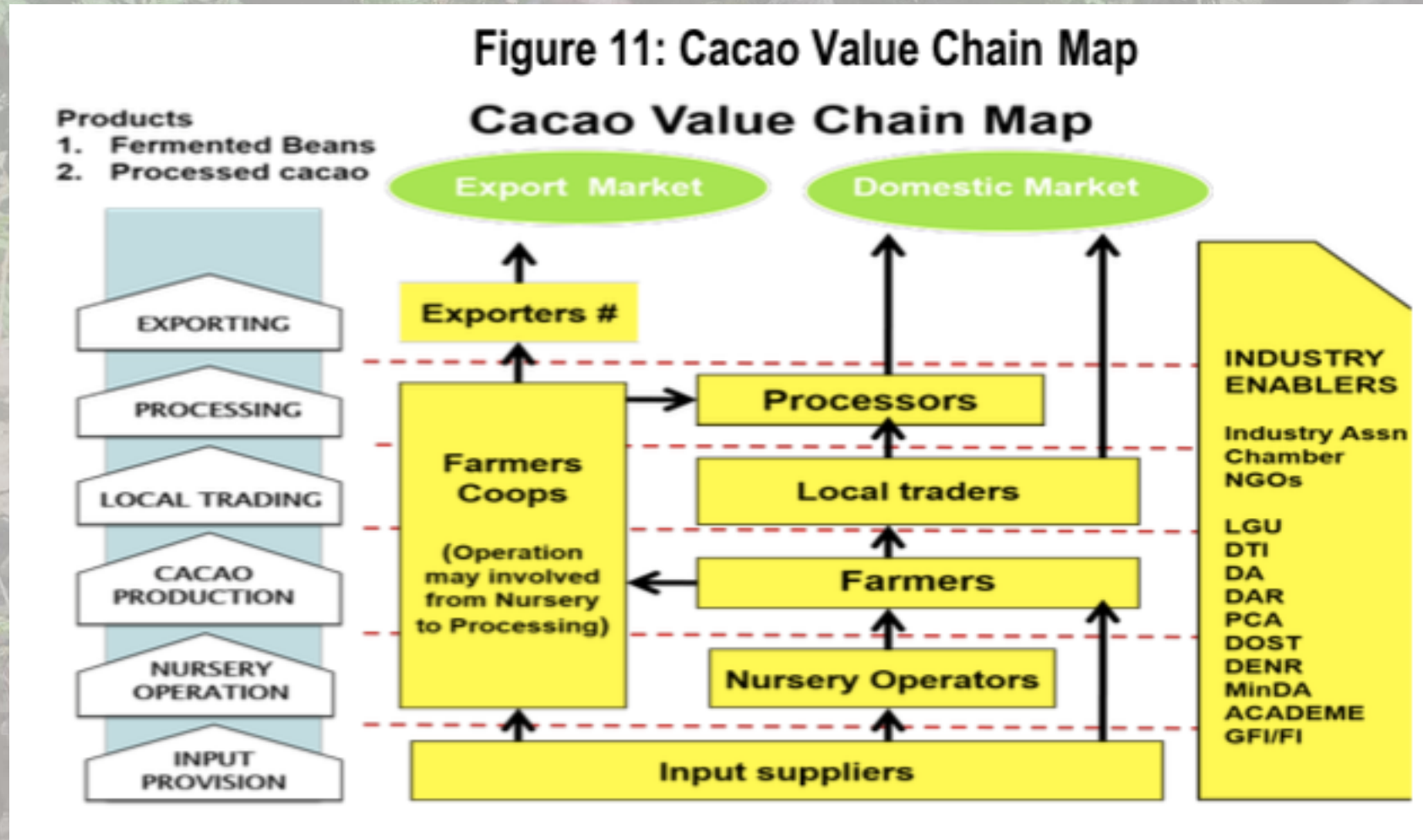
A photograph of a cacao plantation. The trees are covered with large, dark green leaves. Several cacao pods are visible, each wrapped in a white protective plastic bag. The ground is covered with fallen leaves and twigs. The background shows more trees and a glimpse of a building.

CACAO VALUE CHAIN ANALYSIS FOR LAMAC-MPC

Our **Objectives** in Conducting the VCA

- **Validate the mapping in the 2017-2022 Philippine Cacao Roadmap in the context of Cebu**
- **Describe the status of LAMAC MPC in relation to their cacao production**
- **Identify issues and possible interventions**

The Philippine Cacao Value Chain Map



Market

Processing

Local Trading

Production

Nursery

Input

Kennemer

Domestic Market

Processors
(Tablea,
Chocolate)

Rosit Farms

Farmers

Rosit Farms

Kennemer (Davao)

Rosit Farms
(Davao)

LAMAC MPC



Issues

Roles of women in cacao farming

Recommendations

Give importance to the roles of women for them to gain respect, esteem, and pride as important members of the community





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Source of quality planting materials

Recommendations

Give importance to the roles of women for them to gain respect, esteem, and pride as important members of the community

Conserve precious high-yielding cacao varieties like the three cultivars. Be updated with the latest technologies from R&D institutions, particularly in pest and disease management, among others



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Source of quality planting materials

Monocropping is practiced

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Conserve precious high yielding cacao varieties like the three cultivars. Be updated with the latest technologies from R&D institutions particularly in pest and disease management, among others

Produce diversified crops through agroforestry and practice intercropping of cash and food security crops, and even raise animals



Issues

Lack political clout to influence private and public sector policies

Recommendations

Organize the communities and seek support from DA, DENR, DOST, DTI, Landbank, among others

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Organize the communities/seek support from DA, DENR, DOST, DTI, Landbank, among others

- Organize the communities through clusters and cooperatives**
- Provide micro-credit through coop and linkages to financial institutions**

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No village-level machineries and lack of affordable machineries

Recommendations

Organize the communities/seek support from DA, DENR, DOST, DTI, Landbank, among others

Organize the communities through clusters and cooperatives
Provide micro-credit through coop and linkages to financial institutions

- Provision of communal machineries and facilities through assistance of government agencies (DOST Small Enterprise Technology Upgrading Program-DOST SET-UP)**
- Working closely w/ government agencies**

A photograph of a cacao tree in a plantation. The tree is covered with numerous cacao pods, each individually wrapped in clear plastic bags. The ground is covered with fallen leaves and some small plants. The background shows more trees and a clear sky.

Issues

Few end products from cacao

Recommendations

Produce diversified high-value products from cacao fruit parts (high quality seedling production-seedlings must be certified by DA, charcoal briquettes from cacao pods, cacao wine, etc.)

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Roles of women in cacao farming	Give importance to the roles of women for them to gain respect, esteem, and pride as important members of the community
Source of quality planting materials	Conserve precious high yielding cacao varieties like the 3 cultivars. Be updated with the latest technologies from R&D institutions particularly in pest and disease management among others.
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Not bankable by the financial sector/ No access to market and capital	Organize the communities through clusters and cooperatives Provide micro-credit through coop and linkages to financial institutions
No village-level machineries/lack of affordable machineries	Provision of communal machineries and facilities through assistance from government agencies (DOST Small Enterprise Technology Upgrading Program-DOST SET-UP) Working closely with government agencies
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**THANK YOU!
ANY QUESTIONS?**