Sustainable Partnerships for Economic Development in Indonesia

Rejuvenating Sumatra’s Cocoa Sector Through Public-Private Partnerships

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Dear Readers,

Sustainable Cocoa Production Program (SCPP) had the great pleasure of hosting a high level diplomatic mission from the Swiss Government’s State Secretariat of Economic Affairs (SECO) to West Sumatra in December 2016.

To highlight the significance of this landmark visit, we have produced this SCPP Travel Journal to document their visit with our private sector partners and implementing partners to this up-and-coming cocoa producing area. The Swiss Government has been a major supporter and contributor to SCPP since its inception and will continue to do so as we strive to reach more cocoa farmers by 2020.

I would also like to take this opportunity to express my appreciation for the invaluable contributions made by my predecessor, Manfred Borer. Manfred was the driving force behind the Program’s success from the outset and he will continue to promote sustainability and traceability in the Indonesian cocoa supply chain in his new role as the Chairman of Koltiva AG. The Program will continue to collaborate closely with Koltiva to make the cocoa sector in Indonesia more transparent and inclusive for all supply chain actors.

I hope you enjoy the articles and perspectives presented in this edition.

Ross Jaax
Director of the Sustainable Cocoa Production Program

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Sustainable Cocoa Production Program

The Sustainable Cocoa Production Program (SCPP) is a large public-private producer partnership between Swisscontact, the Swiss Government through its State Secretariat of Economic Affairs (SECO), Indonesia’s Ministry of Home Affairs (MoHA), the Millennium Challenge Account-Indonesia (MCA-Indonesia), and multiple private sector chocolate companies. Since the start of SCPP in 2012, the Program has evolved into a high impact and high outreach development program, meeting the development objectives of its donors and the goals of its private sector partners.

As part of its holistic approach, SCPP offers cocoa farmer households training in Good Agricultural Practices (GAP), Good Nutritional Practices (GNP), Good Financial Practices (GFP), Good Environmental Practices (GEP), as well as training related to business operations and social empowerment. The overarching goals of SCPP is to reduce greenhouse gas emissions from the cocoa sector by 30% and increase household income from cocoa by 75%.

Targets for the Program continue to grow as more stakeholders join the partnership and implementation areas expand. The Program operates in major cocoa producing districts in Sumatra, Sulawesi, and Eastern Indonesia.

Since 2010, SCPP has delivered Good Agricultural Practices training to 95,628 farmers working over 85,922 ha of cocoa farmland across Indonesia. GAP training teaches farmers how to improve their production, which in turn increases their income from cocoa.

Since 2014, SCPP has delivered Good Financial Practices training to 46,326 farmers. With improved financial literacy, farmer households can save more and invest back into their cocoa farms.

Since 2016, SCPP has delivered Good Environmental Practices training to 21,702 farmers. Farmers are taught how to reduce their carbon footprint to reduce the cocoa sector’s contribution to GHG emissions.

Since 2013, SCPP has delivered Good Nutritional Practices training to 51,112 farmers. In addition to improving household nutrition, the GNP component has also helped establish 20,010 vegetable gardens.

Since 2012, 3,507 Cocoa Producer Groups have been established by SCPP. CPGs help to consolidate the cocoa community in villages by encouraging farmers to work together.

Since 2014, 88.4 hectares of clonal gardens have been established and supported by SCPP. Clonal gardens are essential to rejuvenating cocoa farms as the material produced can help increase production.

Since 2016, 536 nurseries (51,553 sqm) have been supported by SCPP as of June 2017. SCPP supports nurseries by supplying existing nurseries with necessary inputs and technical advice, while also working to establish new nurseries.

23,225 cocoa farmers are now certified with third party sustainability standards. In total, 25,006 ha of farmland is now certified, producing 17,368 MT of certified and traceable cocoa beans every year.
Experiencing SCPP in West Sumatra

The Sustainable Cocoa Production Program (SCPP) has a history of working together with cocoa farmers in Sumatra. The approach and targets set for SCPP were built on the foundation of the successful Aceh Cocoa Economy Improvement (PEKA) project, implemented by Swisscontact in Aceh, Indonesia, from 2010 to 2012. The Swiss State Secretariat for Economic Affairs (SECO) was at the forefront of supporting SCPP when it officially began in 2012.

On December 12, 2016, the head of SECO, Ambassador Raymund Furrer, paid a visit to West Sumatra to see the SCPP intervention approach in Tanah Datar and Padang Pariaman, which are emerging cocoa producing districts targeted by SCPP. The Ambassador was accompanied by Martin Stottele (Head of SECO in Indonesia), Phillip Orga (Program Manager – SECO), Dian Elvira Rosa (National Program – SECO) and Manfred Borer who was the SCPP Program Director at the time of the visit. The visit covered aspects of supply chain support and revealed how the Program is continuously expanding to reach more farmers, support farm certification, and establish farmer cooperatives and Cocoa Learning Centers in West Sumatra.

SCPP in West Sumatra

Reaching New Farmers in Padang Pariaman

Upon arrival at Minangkabau International Airport, Ambassador Furrer and his entourage were warmly welcomed by West Sumatra Government officials before the group headed northeast to Padang Pariaman, one of newest districts involved in SCPP.

Once at Padang Pariaman, the guests stopped by a Farmer Field School (FFS) training session on Good Agricultural Practices (GAP) for the Sungai Buluh farmers group. Sungai Buluh is one of the nine new farmer groups trained under SCPP in Padang Pariaman, West Sumatra. The group was established specifically for the FFS training in October 2016 and they already have their own demonstration plot where they can apply their new cocoa cultivation knowledge firsthand. At the FFS location, Ambassador Furrer mingled with the farmers to get up close and personal with the inner workings of the SCPP intervention. On that day, the farmers were trained on the topic of improved planting material and a local Key Farmer explained how he improves the planting material by top grafting with superior clones.

In West Sumatra, a local clone called BL50 (Balubuh Lima Puluh Kota) is now widely used by the farmers. The clone itself was internationally recognized as one of the top 50 varieties for chocolate processing at the 17th International Cocoa Award (ICA) in Paris in 2015.

Before departing to Tanah Datar, the guests enjoyed local treats with the farmers such as handmade sweet rice balls stuffed with palm sugar and delicious cassava nuggets.
Establishing Learning Centers to Promote Sustainability

The first stop in Tanah Datar was the Cocoa Learning Center (CLC) located in Lima Kaum village. The CLC is the first learning center in West Sumatra, which was established in 2015 under SCPP with support from Swisscontact, the local district and provincial governments, and Barry Callebaut.

The facility is a symbol of the commitment from Barry Callebaut and Swisscontact - SCPP to ensure future cocoa production in West Sumatra. The ultimate goal is to improve local knowledge about cocoa cultivation so that all stakeholders can benefit, including smallholder farmers, farmer organizations, and manufacturers.

At the center, the Ambassador and his team coincidentally met up with Barry Callebaut representatives, Lachlan Monsbourgh (Manager – Barry Callebaut Switzerland) and Ani Setyowinagrum (Sourcing Manager – Barry Callebaut Indonesia). During the short gathering, the guests jointly reviewed the CLC complex, which has an 8,000 m² clonal garden, a spacious learning hall, an organic vegetable garden, and the largest nursery in the area with the capacity to produce 50,000 cacao seedlings annually.

The Kakao Mandiri Prima Cooperative, stationed in the complex, frequently runs training activities in the multipurpose hall. In the future, the CLC will also integrate business units so that the cooperative can provide business development services such as technical assistance and microfinance services. The Ambassador and the other guests ended their visit to the CLC by planting some of the prime seedlings from the clonal garden.

Discovering the Secrets to the Most Impressive Cocoa Farm in Tanah Datar

Stepping into a cocoa farm in Sumanik village, Tanah Datar, the visitors met with Novalinda, a remarkable cocoa farmer who participated in the SCPP’s GAP training in October 2014. Novalinda has become a leader in the local cocoa community because of her knowledge of cocoa cultivation. She is able to produce close to five tons of cocoa beans from her 1.5-hectare farm.

At Novalinda’s farm, the cocoa trees are planted within close proximity to one another, which can have a negative effect on yield if incorrect techniques are applied. The Ambassador listened as she explained how she applied proper sanitation and fertilization techniques to improve her production. “As recommended by the Program, we fertilize the trees four times a year by making a straight line between the rows of trees. Besides being faster, it is also economically efficient,” she explained.

Novalinda cracked open one of her fresh cocoa pods from the tree and the Ambassador enjoyed his first taste of the sweet and sour cocoa pulp before they went to the house. The guests could see sacks of cocoa beans ready for sale at Novalinda’s house, which also functions as a bean fermentation, drying, and storage place.

In the next room, there were four large plastic baskets filled with beans that had been fermenting for three days. At the Farmer Field Schools, farmers are encouraged to ferment their beans to create added value and improve their competitiveness in the market.

Ambassador Furrer tries his hand at planting and watering a top-grafted superior seedling in the Cocoa Learning Center grounds.

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Nourishing the Growing Kinship with the Local and Provincial Governments

To end their day, the visitors stopped by the Tanah Datar Regent’s house to meet with representatives from the local Tanah Datar Government. In the meeting, the Ambassador highlighted the important role of all stakeholders including the local Government in the implementation of the SCPP in the region. The Government representatives responded positively and thanked the SECO representatives for their continued support of SCPP.

Afterwards, the visitors were invited to dinner with representatives of the Tanah Datar and Padang Pariaman district governments and representatives of the West Sumatra provincial Government. As the guests enjoyed the local padang-style dining, the Ambassador discussed his experience and lessons learned from visiting West Sumatra.

“It has been proven that sustainability in the cocoa value chain can only be reached with dynamic collaboration from all stakeholders. Governments and private sector partners in particular play an essential role in creating an enabling environment to help Indonesia’s cocoa sector grow. SECO therefore supports Public Private Partnership projects for smallholder farmers in Indonesia that aim to promote knowledge transfer between international partners on topics including economic, social and environmental sustainability. This knowledge can benefit all cocoa supply chain actors in Indonesia, including in West Sumatra. This enables the farmers to improve the quality and quantity of their production and thus contributes to poverty alleviation.”

From left to right: Manfred Barer, Martin Stottele, Hardiman, Ambassador Raymond Furrer, Fajaruddin (Head of the Agency for Estate Crops in West Sumatra), Philip Orga, Harry Hausyrofah (Sr. Program Manager – SCPP Sumatra), and Khairunnas (Head of the Agency for Estate Crops in Tanah Datar)

At the Regent’s house (pictured above), Ambassador Furrer presented the Secretary of Tanah Datar, Hardiman, a token of his appreciation to mark the successful collaboration between SCPP partners in Tanah Datar.
Cover : Swiss State Secretariat for Economic Affairs ambassador, Raymond Furrer, shakes hands with Ramadhan, one of the proud cocoa farmers in West Sumatra and a Sustainable Cocoa Production Program beneficiary.