Sustainable Cocoa Production Program
Indonesia
Annual Report 2013
Halim (32), a young motivated cocoa farmer from Telembula village, Southeast Sulawesi, harvesting cocoa pods from his successful side-grafted cacao trees. SCPP encourages the involvement of young generation to get involved promoting cocoa sector.
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Swisscontact promotes economic, social and environmental sustainability by supporting people to develop the skills they need to contribute to local commercial life.

For over fifty years, we've found that people possessing relevant market skills are those who have the greatest capacity to succeed in, and help transform, local economies.

As an organization we're best known for our training programs that provide rural producers, micro- and small business owners, young entrepreneurs, and women, with the capacities to improve their livelihoods and incomes.

We believe that education, training, and skills development - especially in good agricultural practices in rural areas in developing countries - have the greatest potential to address issues related to food security, resiliency, health and nutrition, and community and economic development.

**Professional training**

Through our projects, we enable access to professional training and skills development, promote local entrepreneurship, create access to financial service providers and support the efficient use of resources with the goal of promoting employment and income generation.

Working in market systems, we often find that smallholder farmers and rural producers are typically lacking resources, skills and knowledge to be more effective contributors to supply chains and to make more profitable returns for themselves.

The often inefficient use of resources not only inhibits their own income potential, but also - in the case of high demand commodities such as cocoa - contributes to lower productive capacity and market shortages.

It is in this instance that business can make an enhanced contribution, especially when promoting greater corporate social responsibility and improved environmental practices.

**Sustainable partnership**

Since 2012, we've been implementing the Sustainable Cocoa Production Program (SCPP) in Indonesia - currently the largest public-private partnership (PPP) in the country’s cocoa sector.

SCPP brings together Government ministries, three public donors, and five private sector companies in a partnership program designed as a holistic approach to ensure inclusiveness of rural producers, open sector collaboration, and allows additional partners to join.

In the cocoa value chain, everyone has their own interests and business objectives. In simple terms, producers grow and harvest cocoa, companies process cocoa and manufacture chocolate products, and the Government works to create a regulatory and policy framework to facilitate sector growth.

The Program aims to improve farmer welfare through improved nutrition and income generation, while strengthening community and business development. It also aims to improve farmers’ access to sustainable markets and to price premiums through internationally recognized certification systems, as well as enhancing their access to credit facilities.

The goal is ultimately to improve business linkages throughout the value chain, to increase efficiency in and providing better market mechanisms for everyone involved in the cocoa sector.

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Left, a three-month cacao seedling is top grafted using good and healthy entrees to accelerate and increase the cocoa production as well as to ascertain the characteristics of the main crop. Right, a successful top grafted cacao seedling showed with the appearance of the green leaves on the stem.
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Sampe Sonda (64), one of program beneficiaries in Lumbewe village, South Sulawesi, checking on his healthy cocoa pods prior harvesting.

Wahidah (32), a participant from Good Nutritional Practices field school held by SCPP in Tenripakue village, South Sulawesi is carrying her production from her newly established vegetable garden.

Maju Jaya cocoa farmer group in Central Sulawesi supported by SCPP gathered frequently in their learning center to share and find out solutions for better cocoa farming for their members.

With substantial support from the local Government and the Private Sector, we’re currently training 60,000 smallholder cocoa households in improved farming and business practices, and quality standards. This kind of joint effort between government and private sector to transfer best practices to increase production, quality, and quantity has a direct link to increased farmer productivity and income.

We collaborate with five Private Sector Companies, using successfully tested approaches to provide farmers with training and education in best practices. This includes technology transfer and training in agriculture, nutrition, environment, social, finance, and business practices.

SCPP includes five successfully tested core “tools”, integrating government and Private Sector actors, encouraging sector-wide involvement to build in long-term sustainability. These five core elements of the Program approach are forming also the backbone of this annual report.
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Farming Good Practice and Technology Transfer Systems: SCPP uses successfully tested approaches - developed, fine-tuned, and tested with Program Implementing Partners - for technology transfer and training leading to measurable increases in 60,000 smallholder cocoa farmer incomes.

Nutrition and Gender Sensitivity Integration: Malnourishment can cause lower labor output and physical productivity, and lower levels of women’s empowerment often lead to inadequate resource allocation for nutritional foods in the farmers’ home. SCPP integrates nutrition and gender sensitivity into its farmer field school activities for 40,000 selected smallholder cocoa farming households, to improve comprehension about, and access to, nutritional foods.

Farmer Organization, Market Access and Certification: Strong farmer organizations can facilitate the spread of improved farming practices, improved quality standards, and access to inputs. At least 1,100 formal cocoa producer groups and at least 100 formal farmer organizations/cooperatives are strengthening through improved management, organizational capabilities and financial management skills. Also, by implementing Internal Control Systems, farmer organizations can be certified with recognized international labels.

Integrated Agri-Business Financing: In order for smallholder farmers to follow the good practices as advised by the Program farming good practice and to achieve increased productivity, farmer need access to finance for working capital and further investments to cover farm maintenance, rehabilitation and replantation costs. SCPP is working with several public and private banks to provide easier access to finance for farmer organizations for investments for building up internal control systems and to provide finance products to their members.

Stakeholder Management and Networking Platforms: Improving coordination and cooperation between major stakeholders in the cocoa value chain is crucial to its sustainable development. SCPP uses multi stakeholder approaches to help improve strategic alignment among local Government and the cocoa industry to develop common approaches. The Program is an active member in the Cocoa Sustainability Partnership CSP, the Partnership for Partnership for Indonesia’s Sustainable Agriculture PiSAgro, and the ICCO Consultative Board on the World Cocoa Economy.
Clockwise. Good fermented cocoa beans should reach temperature of at least 45-50°C. On the 6th day, fermented cocoa beans should be dried for at least three days to create distinctive chocolate flavour. For a complete determination of bean quality, beans shall be opened through the middle to expose the maximum cut surface of cotyledon (cocoa shell).
### Achievements 2013

<table>
<thead>
<tr>
<th>Results 2013</th>
<th>Total since 2012</th>
</tr>
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<tbody>
<tr>
<td>12,391</td>
<td>30,845</td>
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<tr>
<td>103,024</td>
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<td>2</td>
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</tr>
<tr>
<td>215</td>
<td>297</td>
</tr>
<tr>
<td>206,915</td>
<td>401,295</td>
</tr>
</tbody>
</table>

- Smallholder Cocoa Farmer Households trained in Good Agriculture Practices (GAP) - 19% women
- Total training days in GAP, Post-Harvest, and Certification facilitated and delivered
- Smallholder Cocoa Farmer Household members trained in Good Nutrition Practices (GNP) - 85%
- Total training days in GNP training facilitated and delivered
- Cocoa producers certified with voluntary certification standards UTZ or Rainforest Alliance
- Hectare of cocoa farms verified and certified for sustainable production
- Best Practice Manuals developed and shared with the Cocoa Sector
- Agriculture and Nutrition extension officers from private/public institutions trained
- Cocoa producers groups supported and active
- Regional Cocoa Forum established and supported in Sumatra and Sulawesi
- Cacao seedling nurseries established within producer groups and farmer enterprises
- Seedlings produced
Best Practice Training Manuals and Publications

The Program continuously strives to improve its technology transfer systems through learning from Implementing Partners, Government, and Stakeholder Forum such as the Cocoa Sustainability Partnership (CSP). Together with our Partners, we developed in 2013 the third of our four planned Good Practice Manuals. During 2013, the Good Nutrition Practice (GNP) was printed and distributed to the Program field staff and Village Lead farmers through Master and Kader Trainings for the new Nutrition component.

Besides the new GNP Manual, our Good Agriculture Practice (GAP) and Post-Harvest Practices Manuals we developed and printed in 2012 are widely used by Government extension staff and by our Private Sector Implementing staff, not only in SCPP related activities, but already started to use and apply the good practices promoted in our training manuals.

In 2013, besides the three training manuals, the following publications and brochures were published and distributed:

- Business Fight Poverty Blog Series: Creating Long-lasting Positive Change through Shared Values in Public Private Partnerships
- Cocoa Sustainability Program (CSP) bulletin: Quarterly Articles about SCPP
- Journal of the field visit of the Indonesian Vice Minister of Agriculture to West Sulawesi
- Agribusiness biweekly-tabloid: An article about SCPP
- Coklat Kakao Cocoa: compilation of success stories from Program beneficiaries
- Testimonial videos from Program partners, staffs and beneficiaries
- Program Videos: SCPP Holistic Strategy Approach and Nutrition Gender Sensitivity Integration
- Program Brochures: The Sustainable Cocoa Production Program (in English and Bahasa)
- SCPP Progress Report
- In the local and national newspapers in SCPP target areas: Occasionally articles about SCPP (in print- and online version)
- Aceh Province BAPPEDA and Aceh Cocoa Forum Brochure: Article about SCPP

All publications, report, and stories are available at [http://www.swisscontact.org/eng/indonesia/](http://www.swisscontact.org/eng/indonesia/)

Master Trainings for Staff and Extension Officers

The technology transfer system applied in SCPP starts with capacity building of Implementing Partner and Swisscontact Managers, Officers, and Field Staff. Besides Swisscontact own Field Staff, a total of 259 extension officers were trained as Master Trainers, comprising 231 Government staff and 28 Private Sector staff, totaling 90% of the 2013 annual target in participants.

Training sessions for Master Trainers from the Program Implementing Partners and the local Governments organized by SCPP since 2012 reached halfway into the Program already 60% of the total target. Training of Government Extension staff is well on track with 71%, while in 2014 we still need to focus on more training to Private Sector field staff as we reached so far just 27% of the Program target.

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**Extension Staff trained in GAP and GNP**

<table>
<thead>
<tr>
<th></th>
<th>Public</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Anually 2013</strong></td>
<td>220</td>
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</tr>
<tr>
<td><strong>Target</strong></td>
<td>69</td>
<td>28</td>
</tr>
<tr>
<td><strong>Result</strong></td>
<td>231</td>
<td>48</td>
</tr>
<tr>
<td><strong>Cumulative 2012-2015</strong></td>
<td>547</td>
<td>386</td>
</tr>
<tr>
<td><strong>Target</strong></td>
<td>69</td>
<td>28</td>
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Cocoa Farmer Training

In 2013, a total of 15,642 farmers received 103,024 person-training days in cocoa Good Agriculture and Good Social Practices. This includes 12,391 farmers (20% females) newly joining the Program, therefore, bringing the total number of individual smallholder cocoa farmer households included and supported in the Program to 30,845 farmers. Progress to date achieved 51% of the end of Program targets (60,000 farmers).

The FFS varied in length between five and ten days, depending on agreements with the Private Sector partners in each province as well as detailed needs assessment of farmer groups. Training for smallholder cocoa farmers includes the following modules:

- The Natural Enemies of Pests and Cocoa Diseases
- Pest Management
- Pruning, Fertilization and Composting
- Frequent Harvest, Sanitation of Pod Husks and Management of Shade Trees
- Soil Conservation
- Rehabilitation of Cocoa through grafting
- Nursery Management and Re-planting
- Post-Harvest Processing
- Fermentation of Cocoa Beans
- Grading of Cocoa Beans

Gender in GAP

The Program aims to promote women's inclusion and achieve 20% female participation in the agricultural practices. Until December 2013 we are slightly below the target with 19% of females trained.

Female participation is low particularly in Sulawesi, in comparison to West Sumatra where number of trained women highly exceeded our target, partly due to cultural conditions.

Regarding the Key Farmers female participation in GAP, there is still a room for improvement. Due to cultural norms and working with groups already established by communities (with established leaders), currently only 7% of our Key farmers are women.

The average farm productivity does not usually differ between male and female farm owner nevertheless women tend to have smaller cocoa land. Neither the age nor education level vary significantly between men and women with average age around 42 years and mostly finished primary school.

The Program collects from every farmer who joins SCPP interventions baseline data including farmer household demographics, cocoa farm data including GAP application, farm locations and GPS, and post-harvest practices. From this baseline information we can combine any possible data points to visualize state of the cocoa sector at a certain point in time. The Program can improve its beneficiary selection process by learning from the data evaluation such as the finding that smaller farms in average have higher yield than larger farms. 74% of farms size are marginal to small measuring less than 1 hectare.
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Clockwise. Top grafting is one of rehabilitation techniques by inserting a highly productive and more pest and disease resistant entrees onto chupon of a three-month cacao seedling. Side grafting is inserting the superior entrees onto unproductive cocoa trunk, after three months the mother trunk shall be cut off to maximize nutrition supply to the grafted branch. Farmers are encouraged to establish their own nurseries to produce superior clones for replanting or top grafting. The superior seedling will be distributed among farmer group members or to be sold for additional farmer group income.

As part of the farmer trainings rehabilitation techniques and sustainable use of inputs are explained and discussed to improve awareness of effective farm management. This includes rehabilitating and replanting appropriately to improve farm yields, as well as responsibly managing inputs to avoid soil depletion and environmental damage. According Program baseline data from more than 30,000 cocoa farms, 13% of the total cacao tree population is considered unproductive due to tree age or diseases. To Program provides the farmers solutions and support to rehabilitate these more than 3 million unproductive trees.

Compost and Seedling Production
Cocoa Producer Groups are supported and trained to produce organic compost, to be distributed to their members, which is applied in addition to chemical fertilizers to improve soil fertility of their farms. During 2013, an additional 45 organic compost houses has been built by groups and they produced 49,700 kg of organic compost. This compost is also mixed with soil in polybags to produce high quality cacao seedlings in the 297 nurseries farmer groups have established since Program start. During 2013, a total of 206,905 high quality top grafted seedlings were produced for distribution and sale to cocoa farmers for farm rejuvenation and replanting. Empowering farmer to produce their own seedlings reduces their dependency on the local Government to distribute free seedlings or to buy seedlings from suppliers, often far away from their farms, and therefore at high cost.

Grafting and Replanting
In many regions in Indonesia, farmers were not exposed yet to grafting technologies to rehabilitate unproductive cacao trees; therefore, the Program established during the farmer trainings on village level grafting demonstration plots to showcase success. In these plots, well-recognized and tested high yielding and/or pest resistant planting material is used for grafting to function within a relatively short time also as bud wood gardens and source of entrees to cover farmers needs to graft their own trees. Side grafting technology can lead to improved yields within less than two years and is the preferred solution to bring trees back to production. Grafting can only be applied to trees whose trunk is disease free and strong, otherwise replanting becomes necessary.

Financing Farm Inputs
In 2014, the Agribusiness Financing Facility (AFF) will start and give priority to building up the demand side market structure by facilitating the establishment and management of farmers’ savings and loan cooperatives by means of improving their bankability and empowering them to make informed decisions about financial services, thereby fully respecting the farmers’ financial autonomy.

Farmers normally don’t have cash available at the right time and the risk is high that without the inputs necessary to apply GAP, farmers cannot achieve the full intended increases in productivity. Access to finance is therefore crucial and AFF will work with the supply side (financial institutions) on loan packages for farm rehabilitation and farm rejuvenation.
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Mokupa Smallholder Cocoa Enterprise (SCE) is a cocoa farmer association initiated by local cocoa farmers who live in Mokupa Village, East Kolaka District, South East Sulawesi Province. Since its foundation in Mei 2008, Mokupa SCE has 8 Cocoa Producer Groups consisting of 125 cocoa farmers under its umbrella. Swisscontact through Sustainable Cocoa Production Program (SCPP) and ADM Cocoa with its Socially and Environmentally Responsible Agricultural Practices (SERAP) target to strengthening the SCE through improvements to managerial, financial, and organizational capacities.

Mokupa SCE was established to serve as a platform for coordination and communication among cocoa farmers regarding cocoa sector in the region. In accordance to one of the SCE founder, Muhammad Arif, he thought this was urgently needed, as he felt it was an important criterion to be part of a group to improve access to support and assistance from organizations interested in developing the cocoa sector, such as the local government and NGOs. From his perspective, these organizations preferred to contribute to the development to cocoa groups, rather than individual farmers, because it is easier to reach more people and spread more knowledge through group systems.

From eight Cocoa Producer Groups under Mokupa SCE, cocoa farmers from two Cocoa Producer Groups named “Mamminasae CPG and Sipatuo CPG” have been trained in the SCPP Farmer Field School (FFS) in best agricultural practices, managerial, and organizational as well as financial development. The program showed tangible impacts that can be seen by the positive change in their cocoa farms. In addition, some of young agricultural cadres or key farmers were created through the Program. The existence of these key farmers is necessary to spread the lesson-learned to other cocoa farmers within the SCE in particular so they all have capabilities to improve their cocoa productivity as the main goal of the enterprise.

To date, the farmer groups’ members are involved in the business activities organized by the Mokupa SCE such as in joint bean sales, nurseries and microfinance. They profit from the provision of a trustworthy cacao seedlings source, better price for their cocoa beans and a reliable end-buyer through collaboration with ADM Cocoa. Also, the SCE serves as a cooperative that provides loan service for the farmers for buying agricultural production input. Despite, the farmers use also the SCE as a forum whereas they can share and obtain information as well as a source to find solutions to farming difficulties they have. Muhammad Arif, one of the board members of Mokupa Smallholder Cocoa Enterprises (SCE), thanks very much Swisscontact and ADM Cocoa for the cocoa development program in their village. “We are now better in maintaining our cocoa farms as well as in running our organization and its financial. This means to yield more and improve the quality of our cocoa are now feasible and certainly the goal of being a successful farmer and improving our local economy can be achieved soon,” he concluded.
MOKUPA Smallholder Cocoa Enterprise (SCE) is a cocoa farmer association initiated by local cocoa farmers who live in Mokupa Village, East Kolaka District, South East Sulawesi Province. Since its foundation in Mei 2008, Mokupa SCE has 8 Cocoa Producer Groups consisting of 125 cocoa farmers under its umbrella. Swisscontact through Sustainable Cocoa Production Program (SCPP) and ADM Cocoa with its Socially and Environmentally Responsible Agricultural Practices (SERAP) target to strengthening the SCE through improvements to managerial, financial, and organizational capacities.

Mokupa SCE was established to serve as a platform for coordination and communication among cocoa farmers regarding cocoa sector in the region. In accordance to one of the SCE founder, Muhammad Arif, he thought this was urgently needed, as he felt it was an important criterion to be part of a group to improve access to support and assistance from organizations interested in developing the cocoa sector, such as the local government and NGOs. From his perspective, these organizations preferred to contribute to the development to cocoa groups, rather than individual farmers, because it is easier to reach more people and spread more knowledge through group systems.

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Good Nutritional Practices Trainings

Good Nutritional Practices (GNP) trainings were successfully conducted in all five provinces where the Nutrition Component is implemented with attendance of 8,277 participants. This number is 40% below target. However, the Program almost reached the 2013 goal with 95% of the targeted number of training days.

The trainings provide an overview of a balanced diet, nutritious rich foods, horticultural training for home gardening and important nutritional issues for vulnerable groups. The training takes 3 days (2 days organized by Swisscontact, one by a Key Farmer), usually integrated into the FFS or Outreach structures as additional sessions, most often with a female family member of the household (85%).

The Program targets to improve the household diet by encouraging households in maintaining small vegetable and fruit home gardens. The quality of diet is measured by the average Individual Dietary Diversity Score (IDDS), assessed with all participants at the time they join the GNP trainings. The average IDDS is currently 5.8 and the size of vegetable home garden per 2 households is 2.2m².

Almost half (49%) of the trained farmers do not have any small vegetable garden, and as can be seen in the Farmer's Garden Average and Percentage chart, Aceh farmers have the smallest size and the lowest number of homegardens in our Program.

Gender in GNP

As topics related to nutrition and health have traditionally been predominantly female-oriented in Indonesia, the Program aimed to promote male gender inclusion into the Nutrition Component, so that the importance of nutrition and its impact on cocoa farming households could be shared more effectively across both genders. In 2013, we found difficulties to reach our target of 20% male participation in Nutrition training (currently 15%). The Program plans to continue and improve its efforts for gender inclusion in 2014 and beyond, especially in the regions with the lowest male participation like West Sumatra and Aceh.

Producers Trained in Nutrition

Farmer's Garden Percentage and Average
Good Nutritional Practices Trainings

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Wahida (32) is an alumnus from the Nutrition Field School held in early 2013 by Swisscontact in the area where she lives in Tenripakua Village, Bone District, South Sulawesi Province. This nutrition enhancement program is funded by the Embassy of the Kingdom of the Netherlands (EKN) through the Sustainable Cocoa Production Program (SCPP).

Trainings on Good Nutritional Practices (GNP) are provided to improve 40,000 smallholder cocoa farmers' understanding of what constitutes a balanced diet and develop household level kitchen gardens to improve consumption of nutritious vegetables. This is intended to improve the health and wellbeing of cocoa farming households, and enhance the productivity of cocoa farmers on their farms.

"After attending the twelve days Nutrition Field School (FS) facilitated by Swisscontact and EKN in my village, I immediately used the knowledge that I gained from the FS by planting a variety of vegetables consisted of cabbage, kale, beans, tomatoes, eggplant, cucumber, red pepper as well as cayenne pepper surrounding my house," Wahida started her story about her vegetable garden. The results were then very encouraging. Since then, my children are starting to like eating vegetables because I often cook vegetables that I harvested directly from my own garden. Despite this, it has become another source of additional income for my family because the remains vegetables we didn’t consume I sell in the traditional market. Last time, I could sell mustard plants with the price of IDR 2,000 to IDR 5,000 per kilogram while for spinach I sold at a price of IDR 3,000 per bundle. The cash income is enough to buy other groceries that I cannot produce myself. Currently, I also develop mustard seedlings nursery, both chicory and mustard greens. Often, I share the seedlings I have with my group members. Thereby, I hope that they can be motivated as I am to keep maintaining their nutritional garden.

Witnessing my success, many mothers in my area became interested also in planting their home-yard with vegetables because my house now looks nicer and green than before with the plants surrounding. I am very grateful to Swisscontact and EKN for the many fold benefits of the nutrition program in our village. Our understanding about healthy consumption for individual and household members is now increased. In addition, the yields from the garden can be a trustworthy food source for our families and the cash income can be used to meet our daily needs. Hopefully, there will be more mothers inspired by the success that has been achieved by the participants of the Nutrition Field School so that our activities can be emulated and applied by them in their own households. In the end, an increased economy, advanced health as well as happy families and a prosperous society can be achieved comprehensively."
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Cocoa Production
Groups

UTZ Certified -
Average 773 Kg/Ha
Farm Productivity
Farmer Organization, Market Access and Certification

CPG - Farmer Organizations – Cooperatives

Strengthening of Cocoa Producer Groups (CPG) on village level is part of the FFS process and also an ongoing process of farmer empowerment throughout the Program duration in cooperation with the Private Sector Implementation Partners. These CPG receive training on GAP topics, and if capable of meeting selection criteria, are supported to develop nearby groups into Smallholder Cocoa Enterprises (SCE). The main development objective of SCE is to become a business incubator for the producer groups, and provide embedded services to the farmers. One SCE manages a number of CPG at sub-district level, further aggregated on District level into District Cocoa Clinics DCC or Gabungan Kelompok Tani (called GAPOKTAN) at national Government program level. 10 DCC/Gapoktan were strengthened with advice and support for business-oriented activities in the cocoa sector.

In 2013, the Program established and supported a further 378 Cocoa Producer Groups, reaching now already a total of 992 CPG located in 858 Villages within 127 Sub-districts, 17 Districts, 6 Provinces. With new activities in Soppeng and Kolaka, the number of Districts in SCPP will grow in 2014 to 19 Districts.

Access to Markets and Certification

In November 2013 a total of 2,451 Smallholder Cocoa Farmers in Aceh fulfilled all requirements to have 2,244 hectares of cocoa farms, producing currently 1,735 tons, UTZ Certified. Certification holder are two large farmer organizations (DCC), one for the North-Eastern part and one representing the South-Western part of Aceh. The two DCC members manage their own Internal Control System to ensure that all certified farmers follow the rigid certification standards for sustainable farming.

One of the basic necessities in every farm certification system is product traceability. Consumers paying more for sustainably produced products have the right to know where the ingredients of the product they buy come from. International brands are getting increasingly under pressure to provide information about their supply chain, including full traceability of the cocoa they use in chocolate drinks and bars back to the farm the cocoa was grown. SCPP is one of the first development programs using a Management Information System (MIS) to collect, evaluate, and report relevant data points from all beneficiaries involved in the Program. In 2013, a web and mobile application called CocoaTrace has been developed by an Indonesian start-up software company. With CocoaTrace, our Program and Implementing Partner staff as well as DCC ICS Managers are now enabled to collect, edit, and review farmer data on Android based handhelds (such as Samsung and Nexus Tablets) in the field and directly upload data to the backend server. Buyers of certified cocoa from these DCC will be provided with login information for full access to cocoa traceability data, farmer profiles, and production volumes to ensure full transparency in the supply chain.
Board members of Aceh Tamiang District Cocoa Clinic (DCC) are being inspected by the external auditor from international certification body as part of the certification process to ensure that the Internal Control System run by the DCC complying with the international certification Code of Conduct.

A representative of a Cocoa Producer Group in Aceh Tamiang involved in the SCPP certification program is being questioned by an external auditor organized by the Program to ensure that his cocoa farm maintained complying with certification international standards.
HENDRA SYAHPUTRA (41) is an alumnus from PEKA Cocoa Farmer Field School held in 2011 in Alur Selalas Village, Aceh Tamiang District in the Aceh Province. He was re-involved in the SCPP through certification program since the beginning of 2012. Currently, he is one of cocoa certificate holders under umbrella of District Cocoa Clinic in Aceh Tamiang.

Chaired as the Secretary of the Aceh Tamiang District Cocoa Clinic (DCC), Hendra Syahputra explained the certification process of the DCC. In accordance to the others, his earnestness while running his tasks and duties made him to be chosen as one of internal team while the Internal Control System (ICS) in the DCC was established for certification process at the beginning of 2012.

"After the selection, by using the knowledge I learned during 3 days training of certification and ICS delivered by Swisscontact - SCPP Program Officer Master Trainers, I thoroughly trained Cocoa Producer Group Representatives from eight sub-districts involved in the Aceh Tamiang District in required standards that need to be met and the certification code of conduct. The CPG representatives then conduct training for targeted 98 CPG members which include a complete explanation of the certification code of conduct and basis certification process. Six month after the training or in June 2013, SCPP internal Team of ICS including me did an inspection to review the on-farm situation of the targeted cocoa farmers. In that process, 48 out of 98 cocoa farms were declared to follow the next stages of certification process because they were complying with certification standards and the code of conduct such as farms are not located in the conservation areas and well maintained with recommended treatments, no children employment in the farm as well as responsible use of suggested inputs.

Once the system is in place and running appropriately, an external audit is arranged by the Program using IMO (Institute for Markettecology) – an international agencies for inspection, certification and quality assurance approved by UTZ Certified – to assess the system. During the assessing process in June 2013, the audit external team from IMO selected 5 farms to represent other 43 farms to be audited to prove that the farmers are complying with certification standards and the code of conduct. Despite, the auditor also inspected the DCC Board member as well as its administratives to make sure that the system is maintained with proper standards.

With pounding hearts, one month after the audit finally we got reports from the IMO that some aspects such as the provisions of regular and appropriate minutes, procurement records and an improved methods of storing pesticides at the storage still needed to be done. Immediately, all necessary repairs were made by us to fulfill the requirements. Finally, in November 2013 we received a relieved information from the Program that all of 48 targeted farmers in Aceh Taming District are certified under DCC Umbrella.

I thank you so much Swisscontact, SECO for its SCPP certification program that allow cocoa farmers to have hope of an improved economy and wellbeing. I hope with the cocoa certification we hold, smallholder cocoa farmers will benefit manyfold to achieve a sustainable cocoa productivity, a stable and premium cocoa price and certainly a better market access for a durable supply chain.
**ICCO Monthly Average Cocoa Price**

**Share below 1.25 USD/day Income**
Income Increase through Productivity Increase

Impact will be measured in a later stage of the Program according to the M&E planning. Increased income for cocoa producers is dependent on several factors, including productivity increase, costs of inputs, and the farm gate price offered from their buyers.

Cocoa prices are determined at New York and London auctions. Indonesian producers, collectors, and small traders receive price information from international traders and exporters. This information flow is not transparent and different prices are paid for the same quality beans in different areas, therefore, it is of utmost importance to Private Sector Implementing Partners who have committed to transparent and fair prices to cocoa producers. Cocoa prices have surged in the last quarter 2013 to a year high USD 2,825 which provides a good outlook for 2014 and motivates farmers to keep with their cocoa farms and working hard to get more production, hence income.

Productivity and use of inputs data are collected and evaluated by the Program, while the information regarding the prices negotiated are more difficult to obtain. Productivity comparisons for future survey data will be against baseline data taken at individual farmer level in the Program and with official Government of Indonesia data. During 2014 several surveys will be conducted for data comparison. The Program can now provide a clear baseline for productivity among the 31,239 beneficiaries reached to date, which will be used to evaluate progress on this indicator as the Program continues.

Progress out of Poverty Index (PPI)

Progress out of Poverty Index is a simple poverty scorecard developed by the Grameen Foundation. The use of PPI for measuring farm households’ poverty level is recommended by The Committee on Sustainability Assessment (COSA). The PPI uses the Indonesia National Social Economic Survey to construct a questionnaire that estimates the likelihood that a household in Indonesia has expenditure below a given poverty line. In SCPP we are using the Millennium Development Goals’ Poverty Line of USD 1.25 per day to assess the share of farmers below this important line.

The chart shows the baseline of farmer households’ assessment regarding their likelihood to be below the selected poverty rate. The poorest households in the Program implementation regions are in West Sulawesi and Aceh where every third and fourth household, respectively, work with has an income level below the MDG poverty line. First results on changes in the households’ poverty level compared to the baseline evaluation will be available by the end of 2014. These surveys also will further compare the beneficiary selection and improvements in relation to the Provincial Governments overall PPI levels.
Ayo rawat kebun!
Ayo rawat kebun!
We Create Opportunities

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