

Deforestation-free cocoa in Cameroon:

questions, concerns and priorities from smallholder farmers





In Cameroon, cocoa production is intimately connected with the lives of hundreds of thousands of people, and the national economy. Around half a million Cameroonian households are understood to earn a livelihood from the cocoa sector, with most of these being small-scale farmers cultivating areas significantly less than five hectares (ha). Most production (about 80 per cent) is concentrated in the South West and Central regions. The majority of farmers combine their cocoa income with growing other food and fruit, and off-farm activities. On average cocoa farmers in Cameroon receive higher payments for their crops than farmers in Côte d'Ivoire or Ghana, the two giants of cocoa production. Nonetheless, nearly 69 per cent of cocoa-producing households in Cameroon live below the poverty line.

Unlike Ghana and Côte d'Ivoire, forest cover in Cameroon is still relatively high, at about 40 per cent of the national land mass. While full sun cultivation (growing cocoa plants without any tree cover) is the dominant approach in Côte d'Ivoire, and has been steadily increasing in Ghana, in Cameroon two thirds of cocoa is shade-grown (under carefully managed tree cover, often but not always within forests).⁴

Cocoa is Cameroon's second most important export, after petroleum, although it only contributes around 1.2 per cent to national Gross Domestic Product (GDP) and delivers around €45 million in taxes each year.⁵ Current annual exports hover around 300,000 tonnes, although there is a longstanding government target to double this to 600,000 tonnes.⁶

- 1 Estimates for total number of households engaged in cocoa production vary, but for a summary of the range of estimates and typologies of different producers, see Lescuyer, G., Boutinot, L., Goglio, P., Bassanaga, S., 2019. Analyse de la chaîne de valeur du cacao au Cameroun. Rapport pour l'Union Européenne, DG-DEVCO. Value Chain Analysis for Development Project (VCA4D CTR 2016/375-804), 123. For estimates of implicated households and areas under cultivation in the South West, see Ngwang, NN and Meliko MO, 2021, Profitability analysis of small-holder cocoa production in South West Region of Cameroon, in African Journal of Agricultural Research, Vol 17(7) pp.991-997, July 2021.
- 2 https://www.oncc.cm/cocoa-production-zones
- 3 European Forest Institute, Fabre T, Bassanga S, Ricau P, Fomou G, Sanial E, 2022, <u>Traceability, transparency and sustainability in the</u> cocoa sector in Cameroon
- 4 ibic
- 5 Lescuyer et al, 2019
- 6 Republic of Cameroon Prime Minister's Office, 2014, Plan de relance et de développement des filières cacao et cafe du Cameroun, Horizon 2020 Projet pp.36

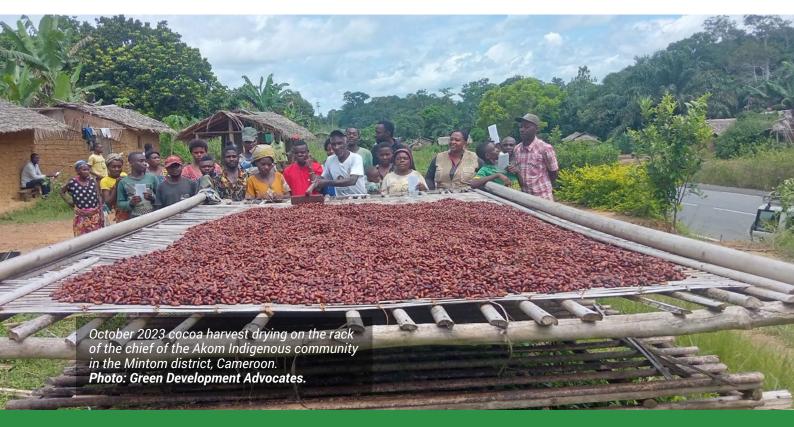
Moving towards deforestation-free cocoa in Cameroon

Most of the cocoa grown in Cameroon is exported to the European Union (EU) (65 per cent in 2020). In June 2023, the EU Regulation on deforestation-free products (EUDR) came into force, prohibiting companies from placing certain products, including cocoa, on the EU market unless they can demonstrate that it has not been grown on land deforested or degraded after 31 December 2020. Traders and operators also have to demonstrate that the cocoa was produced legally. Controls to enforce this law, will begin to take effect at the end of 2024. Farmers growing on newly deforested land risk not being able to sell their crop to the world's, and Cameroon's, major cocoa buyers.

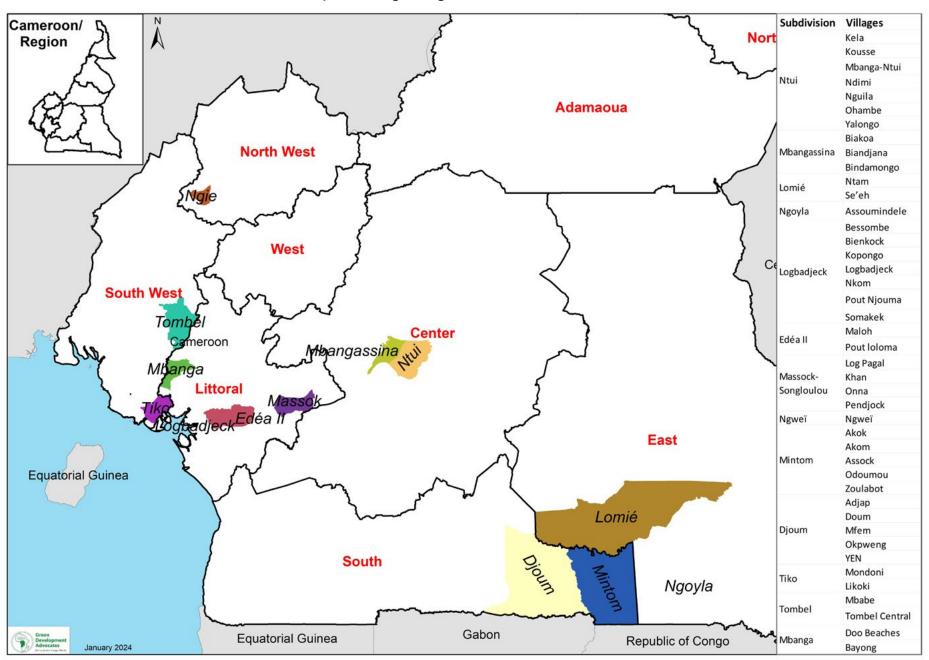
Cameroon's Government has committed to promote the production of deforestation-free cocoa, putting an emphasis on 'sustainable intensification and diversification of income', to 'grow more cocoa on less land'.8

How will Cameroon navigate its aspirations to simultaneously double national cocoa production, retain access to its biggest market the EU, and reduce pressure on forests? For the smallholder farmers who are the bedrock of Cameroon's cocoa sector, the answer to this question could profoundly impact their lives, for better or worse. It is vital to listen to the hopes and fears that smallholder farmers have around a deforestation-free cocoa standard. This is a crucial first step to making sure that transition to deforestation-free delivers decent livelihoods and a sustainable future for farmers and forests alike.

- 7 European Forest Institute, 2023, <u>Unpacking the EU Deforestation Regulation for the cocoa sector</u>. Produced in support of the EU Sustainable Cocoa Initiative in Cameroon.
- 8 https://www.idhsustainabletrade.com/initiative/roadmap-cameroon/



Location of cocoa-producing villagers who were informed about the EUDR



The views of smallholder farmers in Cameroon

Between September and November 2023, a team of researchers from <u>Green</u>
<u>Development Advocates</u>, a national advocacy organisation, and Synaparcam, a group of villagers fighting for corporate accountability, visited 18 cocoa-producing villages in Cameroon's central region (see map), meeting with cocoa farmers and community leaders. Researchers shared information about the EUDR and its relevance to cocoa farmers, and invited participants to share their comments, reflections and concerns.

These exchanges form the basis of this briefing.

1. Most farmers have not heard about the EUDR which demands deforestation-free cocoa production, and do not expect to benefit from it.

In most cases, farmers had not heard about the EUDR or other zero-deforestation requirements before the research team visited them. This included local business representatives. Many challenged what they see as a unilateral and neocolonial intervention in the cocoa sector, asking why the EU is telling Cameroonian farmers how to look after their forests, given that so many European forests were destroyed long ago.

They had low expectations that the EUDR would deliver positive benefits for farmers. This view is informed by farmers' existing experiences with cocoa certification schemes, which several people remarked have not delivered the increased living standards and other benefits that were promised.

NGO Comment: It is crucial for farmers to know that, from December 2024 onwards, companies selling into the EU are required to only supply deforestation-free cocoa. This is to minimise the risk that farmers plant new fields producing an unsellable product. Many farmers have already been disappointed by interventions that are supposed to help them earn a decent living income and adopt more sustainable practices. Achieving deforestation-free cocoa could go hand in hand with improved incomes for farmers, but they are unlikely to give their trust and support to the EUDR until words become actions.

2. Earning a living income is the main priority for farmers, who fear that prohibiting cocoa expansion in forests condemns them to perpetual poverty.

Many participants highlighted that cocoa cultivation is the mainstay of their survival, and also the means by which they are able to send their children to school. Expanding the area under cultivation is often seen as the only means of increasing their income. Some farmers pointed out the limitations of restricting new plantations to fallow fields, as these areas require crop rotation and otherwise quickly become tired and infertile.

NGO Comment: Farmers need support (materials and know-how) to increase the longevity of their existing cocoa plantations, including replacing plants which are over 40 years old. Pressure to expand the area under cultivation will continue while farmers continue to receive such a low price for their crops, which is one reason why it is so important to ensure producers can earn a decent living income from areas already under cultivation.

We will continue to cut the forest, because there are currently no alternatives.

3. Where are the opportunities for young people?

With severe youth unemployment across the country, some young people are now turning to cocoa farming as a way to make a living. There is concern that if the area under cocoa cultivation is not permitted to expand into new forest areas, there will be less livelihood prospects for young people in rural Cameroon.

NGO Comment: In some parts of Cameroon, cocoa cultivation is a well-established family activity passed down through generations. It has also become an attractive prospect for some young people even without a background in cocoa cultivation, as they see few alternatives for generating cash income. Increased cocoa processing and chocolate production in Cameroon could help to diversify the kinds of cocoa-related employment available to young people (most chocolate for sale in Cameroon is imported). Support to generate alternative rural livelihoods, including strengthening domestic (not focussed on export) economic activity, could help to decentre cocoa production in local economies.

4. An outsized role for middle men and poor infrastructure makes it harder for farmers to earn a living from their existing fields.

Across many of the villages visited, farmers highlighted that poorly maintained roads made it harder for them to access markets and increased their dependence on unscrupulous middlemen. Farmers that are not members of producer cooperatives were particularly vocal on this point. Many farmers do not receive the baseline price for the cocoa pods they produce, as middlemen underpay them even when farmers are selling in to certified schemes that are supposed to offer a price premium. Several farmers also voiced a plea for support to access credit and get out from the burden of contracted debts to buyers and middlemen.

NGO Comment: Persistent underpayment of farmers by middlemen, as well as farmers' low overall share of cocoa and chocolate revenues, make it hard to earn a decent living growing cocoa. This pushes farmers to expand cultivation into forest land, to increase their income. Shorter supply chains, stronger farmer cooperatives, and ensuring that farmers' interests are directly represented in cocoa sector reform processes, would all help tackle this issue.

5. There should be some recognition of legitimate agroforestry cocoa plantations.

Many participants were particularly frustrated to learn that growing cocoa under the shade of forest trees is still considered deforestation within the EUDR framework, if the plantation is newly established. They argue that classifying planting shade crops in forests as deforestation, is to misunderstand how forests are used as part of everyday life. They also say it undermines efforts to promote more sustainable agricultural practices, encouraged by government agencies and research institutes alike.

NGO Comment: Cocoa grown in agroforestry systems created after December 2020 on forest land that was not previously used for agricultural production, can no longer be sold into the EU market. This is because of the definition of deforestation used within the EUDR, which seeks to ensure that shade-covered export agriculture does not replace forests. The complementary measures that support EUDR implementation, however, can and should support best practice agroforestry on existing agricultural land. Definitions of 'best practice' should be tailored to particular ecological contexts.

6. Contradictory messages make it hard for farmers to know what to do.

Several participants mentioned that the Conseil Interprofessionnel du Cacao et du Café (CICC) and the Government are encouraging the expansion of shade-grown cocoa cultivation in areas where the only land available to prospective farmers appears to be forests. They raised concerns about apparent contradictions between these messages and the EUDR demanding a halt to cocoa expansion in forest areas. Some farmers called for increased Government efforts to transform cocoa.

NGO Comment: Balancing promotion of cocoa agroforestry with instructions not to deforest, requires careful, consistent, joined-up communication. Without this, misunderstandings and mistrust are likely to persist.

In addition to the concerns listed above, participants also raised several practical questions about the applicability of the EUDR.

7. What about cocoa grown in already-degraded forest land?

Some farmers pointed out that much of the forest around their existing cocoa plantations is already degraded in some way – people cut wood not only to sell, but to build houses, for firewood, and to clear space for growing crops. There are also many forest areas that have been extensively logged for valuable species, including by international companies, but which are now left abandoned. How are farmers supposed to know if they're cultivating land considered virgin forest or fallow/degraded land, when people have been using the forests in different ways for so long?

The issue of fallow plantations was also raised by several participants. How long does it take for a fallow field to be reconsidered a forest, and how can farmers demonstrate that new cultivation on existing fallow fields (with tree cover) is not deforestation?

8. Questions around legality

Meeting EUDR requirements of legally produced cocoa could also be difficult for some. Particular concerns were raised around land titles, including how to deal with problems with backdated ownership certificates, farms where the land ownership has not been regularised at all, and plantations which have been established within UFAs (forest management units – or logging concessions). If farmers that cannot demonstrate their legal status find themselves unable to sell the cocoa they produce, this could cause considerable hardship for many. There was a plea from some participants for a simplification of the land titling process to help navigate this issue.

9. Farmers subject to relocation present a special case

Some of the villages visited are at risk of relocation because of a large dam that is on course to be constructed (the Grand Eweng dam). Farmers from these villagers highlight that, when they are relocated to a new place they will need to establish new cocoa fields as well. If the only land available is forest land, how will they be able to cultivate cocoa that is deforestation-free?

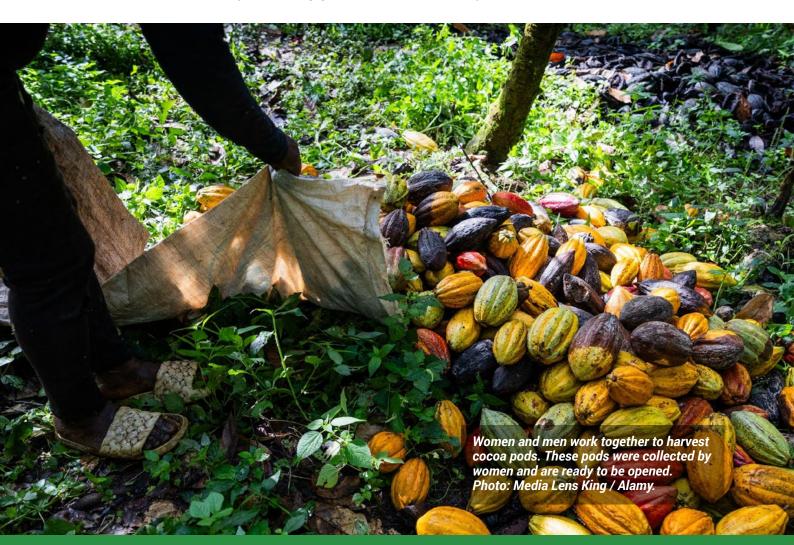
NGO Comment: The practical questions raised here highlight the complexity of enacting a rigorous deforestation-free standard in a complex and often unclear local context. Urgent work is needed to clarify and communicate widely what is legal cocoa, to support farmers in regularising their land claims, and to record existing fallow fields. Some issues, such as compulsory relocation, make it clear that implementing deforestation-free production in practice will require cooperation and consideration from actors beyond the Ministry of Agriculture and Development (MINADER) and the Ministry of Commerce.



Current cocoa initiatives

The future dynamics of Cameroon's cocoa sector are being considered within various connected processes. In each case, it is urgent to ensure that the voices of the smallholder farmers are heard. These are the people who produce the cocoa, and who will be most affected by any changes.

- Cocoa Talks. Since 2021 the government of Cameroon and the EU have been engaged in a series of bilateral discussions called 'Cocoa Talks', organised around 'fighting child labour and exploitation in the cocoa value chain, enhancing forest protection and restoration in cocoa-producing regions, and ensuring a minimum subsistence income for cocoa farmers.'
- 2. IDH Roadmap to deforestation-free cocoa. The IDH Roadmap is a public, private, civil society partnership that 'aims to end cocoa-related deforestation in Cameroon. The Roadmap and the Cocoa Talks are expected to both feed into the development of a National Action Plan on sustainable cocoa.
- 3. <u>Team Europe Initiative on deforestation-free value chains</u>. Accompanying the EUDR, in December 2023 a new initiative to support the 'inclusive transition to sustainable, deforestation-free and legal supply chains' was launched. This commits the EU to enhance stakeholder coordination, and to provide technical assistance and capacity building towards commodity producing governments affected by the EUDR.



Recommendations

The Cameroon Government should:

- Formally recognise the rights and status of rural workers in Cameroon, based on international standards such as the United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas (UNDROP).
- Actively promote local initiatives to develop cocoa transformation, and valueadding activities in the cocoa sector.
- Establish credit access facilities for smallholder farmers that allow them to operate without the burden of contracted debts to middlemen, while also promoting complementary and alternative livelihood activities.
- Strengthen the coherence of messages directed at smallholder farmers, improve information-sharing systems, and enhance the participation of smallholder farmers in ongoing cocoa initiatives.
- Strengthen the institutional, technical and entrepreneurial capacities of smallholder farmers, including through supporting the development of farmers cooperatives where they are not yet operational.

The EU should:

- Work alongside the government of Cameroon to conduct a farmers needs analysis
 regarding the EUDR, and use the results to tailor the work of the Team Europe
 Initiative on deforestation-free value chains, as well as other EU-Cameroon
 collaborations.
- Ensure the voices of civil society and smallholder farmers are present, and prominent, in all ongoing political dialogues regarding the cocoa sector in Cameroon.
- Explore ways to support best-practice agroforestry within Cameroon's cocoa supply chains, in line with the deforestation-free framework established by the EUDR.
- Clarify the status of agroforestry and fallow lands in the guidelines on agricultural use being prepared by the European Commission.

Companies should:

• Change purchasing practices so that they pay a Living Income Reference Price and conclude long-term contracts with farmers.

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Green Development Advocates (GDA) is a Cameroonian civil society organization, created in 2009 and legalized on the 30th June 2011. It works spans from development that respects social and environmental requirements. Its mission is to contribute to the sustainable development of African tropical forests while respecting the culture, rights, interests and needs of African peoples. A particular attention is paid to situation of indigenous forest peoples also known as "pygmies".

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