



# Sustainable Cocoa Production from Agroforestry in the Amazon and Atlantic Forest

Smallholders, companies and climate benefit from an improved value chain



## The Challenge

In **Pará (Amazon)**, more than 20% of the forest has been converted to pastures and farmland for crop production, and after initial success in reducing deforestation between 2004 and 2015, annual deforestation rates are increasing again since then. The specific project region (São Félix do Xingu) is one of the ten municipalities in the Amazon that contribute most to deforestation. This development has severe negative impacts on relevant ecosystem services like loss of biodiversity, soil degradation, rising carbon emissions and negative impact on the water cycle. In addition, smallholder families in the Amazon are part of the poorest populations in Brazil, lacking opportunities, technical schooling and business skills.

In **Bahia (Atlantic Rainforest)**, the project region in the South of the State counts on 200 years of cocoa production history. In this area, cocoa is planted in traditional agroforestry systems, called "*cabruca*", under thinned-out native forests. The productivity of these plantations has declined strongly over the decades, due to poor management, over-aged trees, plant diseases, lack of technical assistance and decreasing soil fertility. Farmers therefore start switching to other, environmentally more hazardous monocultural crops and ranching that they believe are more profitable. The extreme biodiverse Atlantic Forest is one of the 10 international ecological hotspots. And traditional "*cabruca*" farming systems, although not reflecting the original native biodiversity, have been recognized as important components in the Atlantic Forest biome by acting as connecting landscapes between native forest patches.

In Brazil cocoa is produced typically by smallholders, many of which live right on the edge of the poverty line. Technical assistance is scarce and mechanical or technological support is

absent, which makes it very hard for these smallholders to improve their production system.

## The Solution

The project is financed within the DeveloPPP-Program from the Ministry for Economic Cooperation and Development (BMZ). Mondelez, an international chocolate and snack manufacturer, and Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) Brazil engaged in a development partnership with the aim to increase cocoa smallholders' income, preservation of forests and recovery of degraded areas in Pará and in the South of Bahia.

While in Bahia smallholders are supported and trained in improving productivity of their cocoa areas and preserving the forest thereby, in Pará smallholders are trained to start new agroforestry systems based on cocoa to recover degraded areas in a strategic region to combat advances of deforestation in the Amazon. Mondelez and GIZ work with third parties such as the Nature Conservancy (TNC), the Cocoa Innovation Center (CIC), Universidade Estadual de Santa Cruz (UESC), Instituto Humanize (IH) and Instituto Arapyaú to implement strategic measures.

By introducing new species in the agroforestry systems and by developing new market access strategies for the additional products, income of smallholders is increased. Brazil does not produce enough cocoa for domestic demand so by improving productivity of existing smallholders in Bahia and by bringing in new smallholders into the cocoa growing business in Pará and providing technical assistance, more and better quality cocoa is produced to attend domestic demands of the industry, increasing smallholders income. Also, in the Amazon degraded areas are restored and in Bahia important forest areas with cocoa are preserved.



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The partners provide technical assistance for around 950 smallholders, capacity building measures, for example for cocoa rejuvenation techniques to increase productivity. The project furthers the environmental compliance as Brazil's environmental laws are complex. Mapping, soil management, georeferencing of properties, preparation for National Environmental Cadastre (CAR) are part of this activity.

## Our Services

GIZ will support farmers' organizations and cooperatives' capacity building. This includes management and organizational capacities for smallholders plus women and youth business management skill development. Market access strategies for additional crops for private and public markets are created, procurement officers' are trained to include local produce in public purchases. Technological community management tools such as an app for mobile phones is developed and will be made available to improve information and communication and market information among smallholders, and between smallholders and extensionists. Best arrangements of tree nurseries are set up. GIZ supports environmental compliance together with smallholders and local authorities.

In addition, Mondelez, Cocoa Innovation Center (CIC), State University of Santa Cruz (UESC) engage in technical assistance services, capacity building field days for smallholders, management of experimental agroforestry plots and scientific applications. Cultural engagement is furthered, technology usage for agroforestry reinforced, training of students in rural agricultural schools, good agricultural practices (GAP) pre - and post- harvest is provided, gender equality measures, impact monitoring and assessment are part of the services. Complementary interventions in social sustainability will be added after conclusion of ongoing baseline studies ("needs assessment")

## Envisaged Results and Impacts

- The project is linked to international initiative Cocoa Action from the World Cocoa Foundation (WCF), tackling systemic issues in the Brazilian cocoa value chain such as deforestation and working conditions
- The linkage of farmers to Mondelez' Cocoa Life project gives smallholders an opportunity to earn a premium for their sustainable cocoa production
- The income of 250 cocoa smallholders in Pará and 250 smallholders in Bahia has increased by 25%
- 250 smallholders in Pará and 700 smallholders in Bahia have developed capacities in agroforestry production (SAF)
- Productivity has risen from 700 kg/ha to 1,000 kg/ha in Pará and from 300 kg/ha to 500 kg/ha in Bahia.
- 1,000 hectares have been restored in the Amazon rainforest biome in Pará

### Overview

<b>Period</b>	1. April 2020 – 31. March 2023
<b>Country</b>	Brazil
<b>Goal</b>	Increase of income for smallholder working with sustainable cocoa based agroforestry production systems in Pará and in the South of Bahia.
<b>Partner</b>	Mondelez, GIZ
<b>Results</b>	<ul style="list-style-type: none"><li>• Project smallholders are integrated in Cocoa Action (WCF) for working conditions improvement</li><li>• Income of 500 smallholders in Bahia and Pará has increased by 25%</li><li>• Productivity of cocoa per hectare has increased</li><li>• 1000 ha of degraded area are restored in the Amazon</li><li>• 950 smallholders have been trained in agroforestry production</li></ul>

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