What future for Cocoa in Côte d’Ivoire?

1. An expected and theoretical decline
2. An unexpected capacity to rebound
3. Uncertain Contradictory forces

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CIRAD
WCF conference, Partnership meeting
Washington, 4-5 October, 2006

http://www.worldcocoafoundation.org/about/documents/ FranciosRuf.ppt
1a. Cocoa and Coffee Producing shifts in Côte d’Ivoire in 2000
1b. ECOLOGICAL CHANGE
Forest rent loss (fertility, rainfall, ..) and REplanting difficulties
Replanting, a difficult innovation  
(CIRAD survey, Ruf 2006)
1c. Social and political change as an ‘unavoidable’ sequence of any boom/windfall
### 1d. Taxation

*Estimated average CIF price in October/November: 850 CfaF per kg
Sources: adapted from BNETD, 2004.

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<thead>
<tr>
<th></th>
<th>Taxation level increase</th>
<th>Oct/Nov 03</th>
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<tbody>
<tr>
<td><strong>State</strong></td>
<td>DUS</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>TE</td>
<td>21,25</td>
</tr>
<tr>
<td></td>
<td>Taxe traitant</td>
<td>2</td>
</tr>
<tr>
<td><strong>« State Agencies » and « Profession »</strong></td>
<td>BCC</td>
<td>4.9</td>
</tr>
<tr>
<td></td>
<td>FRC</td>
<td>2.78</td>
</tr>
<tr>
<td></td>
<td>ARCC</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>FDPCC</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Prec. Reserve</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Bags</td>
<td>5</td>
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**TOTAL TAXATION**

295,93

**TOTAL TAXATION In % of the CIF CAF**

35%

**PRODUCER PRICE in % of the CIF price**

41%
1f. Shortage of land. The ageing of the current cocoa belt and diversification opportunities

(CIRAD survey, Ruf 2006)
But …

2. An unexpected capacity to rebound
2.a Technical innovations

The major component of the green revolution: **Fertilizer adoption and boom**

Côte d’Ivoire 1983/84 to 2002/03

(CIRAD survey, Ruf 1997-2005)
2b Change in generation and (delayed) re-investment
2.C Re-investment, Re-planting, new planting ..
Back to the old cocoa belt (CIRAD survey, Ruf 2006)
Re-investment, Re-planting, new planting ..
Back to the old cocoa belt (CIRAD survey, Ruf 2006)
Fig. 2d As a result of technical breakthrough, generation change, possibly the political crisis itself, planting and Replanting spread everywhere in Southern Côte d’Ivoire (except in the current mature cocoa belt) (CIRAD survey, Ruf 2006)
3. What next?

Uncertain Contradictory forces.
3.a Positive structural strength of family agriculture. Its capacity to stand shocks
3b. A positive reinforced capacity to endure shocks owing to migrants coming from regions marked by poverty. Migrants are determined to save their patrimony.

... but also a structural labour shortage (CIRAD survey, Ruf 2006)
3d. Positive room for further technical breakthrough

Hyp 3. With Fertilizer and little mortality
3c Appraisal of fertilizer impact, associated to other changes, on migrants’ farms over a cocoa cycle of 25 years (1980-2004).

(CIRAD survey, Ruf 1997-2005)

<table>
<thead>
<tr>
<th></th>
<th>Average migrant arrival date</th>
<th>year of the highest production after forest clearing</th>
<th>Average production (kg)</th>
<th>year of the lowest production</th>
<th>Average production of that lowest year</th>
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<tr>
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<th>The year of first fertilizer adoption</th>
<th>Accumulated fertilizer bags over years</th>
<th>Production reached in average in 2002/03 2003/04</th>
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<tbody>
<tr>
<td>35 migrants</td>
<td>1996</td>
<td>85</td>
<td>4820</td>
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3d. Positive room for further technical breakthrough

Hyp 3. With Fertilizer and little mortality
3d. Hopefully a progressive re-internalization of the labour force … but ..
3e The biological/ecological change remains a risk
3f A social risk about ‘a new kind of migrant’
3f A likely competition between cocoa and other tree crops, especially rubber.
3.f « Rubber makes you as a civil servant »
3g Why Cocoa should escape the coffee scenario?  
The Strength Comparative prices and revenue  
Average Coffee production trend  
(200 cocoa and coffee farms)  

(CIRAD survey, Ruf 1997-2005)

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<tbody>
<tr>
<td>San Pedro (Sud-ouest)</td>
<td>138</td>
<td>157</td>
<td>178</td>
<td>187</td>
<td>49</td>
<td>35</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Ouragahio (Centre-ouest)</td>
<td>76</td>
<td>82</td>
<td>82</td>
<td>91</td>
<td>96</td>
<td>94</td>
<td>68</td>
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3g. Why Cocoa should necessarily escape the coffee scenario? Coffee was the dominant crop in the 1950s.
Hi from Gagnoa, Thanks for your attention