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## Colombia

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### Cacao for Peace (CFP) Overview

**Report Categories:**

Agricultural Situation

Market Development Reports

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**Report Highlights:**

On January 15, 2016, USDA and USAID executed a participating agency program agreement (PAPA) titled Cacao for Peace. The overall objective of the project is to improve the cacao value chain in Colombia by strengthening key agricultural institutions in the public and private sectors through cooperative research, technical assistance, and extension education. The Cacao for Peace Initiative will provide these institutions the necessary tools and resources so that Colombia can take advantage of the rapidly increasing global demand for chocolate to become a global supplier of cacao, the essential ingredient in chocolate. This initiative will create economic opportunities for the U.S. chocolate and confectionary industries, American agriculture, and thousands of Colombian farmers and their families.

## **General Information:**

### **Initial Stages**

- Value Chain Analysis (a roadmap for the future) - Purdue University is conducting a value chain analysis of the cacao sector in Colombia to identify opportunities and create a baseline to measure the effectiveness of the project. The International Center for Tropical Agriculture (CIAT) will also map climate change projections to show the future viable areas for cacao in Colombia in order to focus the geographic reach of the project.
  - Expected Outcomes - This analysis will be used to create a roadmap to guide the future of the project and the cacao industry in Colombia.
- Cooperative Research - The Colombian Ministry of Agricultural's main agricultural research agency Corporación Colombiana de Investigación Agropecuaria (CORPOICA) and USDA's Agricultural Research Service (ARS) will be signing a cooperative agreement in 2016. ARS is a leading public research institution in the United States on cacao research. The agreement will focus on genetic diversity collection, breeding activities, disease resistance, and transfer of best practices.

Pennsylvania State University (PSU), which houses the Endowment in Molecular Biology of Cocoa, is a leading university in the United States on cacao research. PSU will foster collaboration on the project through networking, priority development, and cooperative research within the cacao scientific community in Colombia and the United States.

- Expected Outcomes - This collaboration will result in targeted research to develop improved cacao varieties for Colombia in areas such as the Sierra Nevada.
- Educational Partnerships - The Cacao for Peace Initiative will fund four scholarships for Colombian students to study at Land Grant Universities (LGUs) in the United States towards masters' degrees in agriculture, specializing in cacao research.

With the assistance of United Nations United Nations Office on Drugs and Crime (UNODC) and PSU, we will establish two education farms in Sierra Nevada to provide training across the cacao value chain. Peace Corps Volunteers will be placed at these centers and with cacao producer associations in Sierra Nevada to provide agricultural extension and marketing education in local communities.

- Expected Outcomes - The initiative should transform the Caribbean region of Colombia into an incubator for cacao innovation. Successes from the Sierra Nevada education centers will serve as a blueprint to be expanded to other cacao producing regions in Colombia.

### **Growing Partnerships**

To achieve the objectives of the project, USDA is partnering with USAID, CORPOICA, UNODC, the Peace Corps, the Fulbright/Colombia Program, CIAT, SENA (Colombia's vocational education system) and a consortium of nine Land Grant Universities (University of California Davis, Cornell University, University of Florida, Michigan State University, New Mexico State University, Pennsylvania State University, Purdue University, Texas A&M University, and Washington State University).



*Peace Corps Volunteers, FAS officials and UNODC personnel meeting with Arhuaco's community at the post harvest facility build by the Colombian Government.*

### **Why Now?**

Cacao is an underdeveloped industry in Colombia, but with the potential for the country to become one of the largest producers of cacao in the world. Colombia only produces 50,000 metric tons of cacao annually, one fifth of the production in neighboring Ecuador. In addition, rural violence and lawlessness have negatively impacted investments and growth in the cacao sector.

Within the next few months, the Colombian government should sign a peace agreement with the FARC, the leftist guerrilla group that has been fighting the government for over 50 years. Cacao could play an important element in the post-accord process. A strong cacao industry would provide economic opportunity for hundreds of thousands of small holder farmers and their families, many of whom live in conflict areas. Cacao will also provide a strong alternative to coca production.

The United States is not a commercial producer of cacao. Nonetheless, the U.S. chocolate and confectionery industries are a principle consumer of key U.S. agricultural commodities such as sugar, peanuts, milk, and almonds. For example, for every dollar of cacao imported, between one and two dollars of domestic agricultural products are used in the making of chocolate. Thus, the Cacao for Peace Initiative could help Colombia become a major supplier of cacao to our growing chocolate industry.



*Cacao is the raw material for industries such as confectionary and cosmetics. Colombia has the potential to export cacao as commodity or transformed as confectionary.*

### **Why USDA?**

USDA is in a superior position to strengthen Colombia's cacao industry through training and technical assistance. Cacao cooperative research and extension are the two key areas targeted for capacity building through the CFP. Successful agricultural development is only possible through a centralized national investment in agricultural research complemented by a decentralized extension service capable of adapting research to highly varied local conditions. This is what USDA and the LGUs accomplished in the United States. USDA and LGUs have over 100 years of experience in cooperative research and extension, and are poised to assist Colombia's cacao industry achieve its potential.



*Building capacity is not only about infrastructure, but also about training the producer in good agronomical and post harvest practices such as the fermenting and drying of cacao beans.*

USDA also has decades of experience implementing international agricultural development initiatives. USDA contributed to founding the Inter-American Institute for Cooperation on Agriculture (IICA) and directly worked with Norman Borlaug and the Rockefeller Foundation to lead the "Green Revolution"

in developing nations around the world. USDA is represented by the Foreign Agricultural Service (FAS) in Colombia and in collaboration with FAS's Office of Capacity Building and Development (OCBD) can facilitate key linkages to internal USDA farm service agencies, such as the Agricultural Research Service (ARS), Cooperative Extension Service, and Land Grant Universities. USDA-ARS has a long history of work in Latin America. Since 1955 ARS has been involved in cacao research and has collaborating closely with Latin America on several research initiatives.

In carrying out the program, USDA intends to use its unique statutory authorities to enter into cooperative or cost reimbursable agreements with one or more USDA technical agencies, the Peace Corps, Land Grant Universities, and with several local implementing partners. USDA will draft a defined scope of work for each, outlining its contribution to the program. As the participating agency, USDA is responsible for all logistical and administrative assistance to the CFP, including compliance with procedures and regulations regarding international travel.