The world's leading producer of cocoa beans wants a bite of the chocolate market's profits, but is the creation of a factory in Abidjan the answer?

Côte d'Ivoire's bittersweet chocolate factory

It is the world's biggest producer of cocoa beans, and yet most of Côte d'Ivoire's inhabitants have never even tasted chocolate, let alone savoured the profits from the finished product. Here, a whole bag of cocoa beans sells for less than one bar of chocolate and cocoa farmers, according to the 2015 Cocoa Barometer, earn on average $0.50 a day. With a chocolate bar costing around $2 to buy locally, it is not exactly an affordable treat.

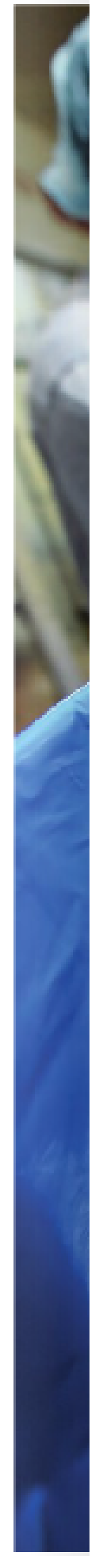
That is, perhaps, until now. With grand hopes of moving beyond the simple export of cocoa beans, new initiatives have been put in place by the government for the West African country to finally make inroads into the highly lucrative chocolate market. A government representative explains: "The goal is to process at least 50% of cocoa beans [in country] by 2020."

As part of this, Côte d'Ivoire's first chocolate factory opened last year. The idea is that by increasing the in-country processing of chocolate – through state-of-the-art chocolate factories and processing units – the country can enjoy more of the benefits.

These consist principally of the large profits that are currently scooped up by Europe and the United States, where consumption is highest. "The effort made by the state to strengthen cocoa processing should result in additional … revenue of about CFA20bn per year [$34.4m] for the state [and] the creation of more than 4,000 jobs," says the government representative.

It sounds good, but the new chocolate factory is owned by French company Cémoi. Surely they will be the ones enjoying the profits?

The government representative explains: "[Cémoi] has signed a public private partnership with Côte d'Ivoire to develop sustainability and transparency in the cocoa sector." So, while Cémoi keeps the profits, Côte d'Ivoire also benefits in some ways from the new chocolate factory.



Right: Abidjan has a new cocoa processing plant but whether it will benefit the country is a moot point.

> " More of the profits and jobs associated with cocoa need to stay in the country.

Such attempts to move up the value chain of cocoa production have been a long time coming. Cocoa production in the country began at the end of the 19th century, and, according to the Food and Agriculture Organisation of the United Nations (FAO), Côte d'Ivoire overtook Ghana as the world's leading producer of cocoa beans in 1978.

And yet, jumping from grower to producer of the finished product might not be as easy as it sounds. Does it actually make sense to manufacture chocolate in a cocoa-bean growing country, when the demand is elsewhere? Shashidhara Kolavalli, a senior research fellow in the Ghana office of the International Food Policy Research Institute, says, "The question is whether chocolate manufacturing is profitable in producing countries. There is a company in Ghana that manufactures chocolates for local sales. I don't think it is doing well."

Ghana makes for an interesting comparison. Here, fair trade chocolate company Divine runs a cooperative system, where farmers own 44% of the business and enjoy higher profits from their cocoa yields as a result. Sophi Tranchell, managing director of Divine, says of Côte d'Ivoire's new initiative, "The challenge is to build the [local] market fast enough to take the produce from the factory." Building up new markets takes time, and it isn't always successful. In comparison, she favours the Divine model: "By farmers owning a share of the company they are higher up the value chain, even than if they owned the factory."

Similar challenges emerge when you try to export chocolate bars abroad, according to Tranchell. "British chocolate melts in your mouth because of cocoa butter and lots of milk," she says. "These ingredients are temperature sensitive. There also isn't a local dairy industry in Ghana, and you'd need EU compliant milk and a temperature controlled environment to

bring it back." Put simply, it would not make sense – ingredients would have to be brought out to Ghana from Europe to be mixed and then brought back again.

Keeping the profits from chocolate in country is also a challenge. Tranchell explains: "In Ghana, there are a number of chocolate processing factories that the government gave investment incentives to build. These are tax-free zones, and if they're owned by multinational organisations, the money then migrates out of Ghana. They also get discounted beans." Ultimately, Tranchell concludes, the initiative, "helps big business but not local people."

Not helping local people is turning out to be something of an issue for the chocolate industry. The 2015 Cocoa Barometer report suggests that younger generations no longer want to work in cocoa because of the tiny incomes. It states, "There is a huge demand for cocoa worldwide, yet it can only be grown in a very small tropical belt. One would think cocoa farmers are in an excellent position to negotiate a good price so that they can make a living income from their cocoa yield. Strangely enough, the reality is different." Without new initiatives to bring more money from cocoa into the Côte d'Ivoire, the country's cocoa farming future looks unstable.

This message is echoed by Technoserve, a global non-profit specialising in business solutions to poverty. Technoserve's Côte d'Ivoire country manager, Sarah Crawford, says, "The lack of value addition in country is leading farmers to switch to other crops like palm and rubber, which are perceived as higher-paying. Raw cocoa makes up more than 30% of exports and more than 15% of GDP. Value addition could further increase the importance of cocoa for the Ivorian economy."

Overarching message

So where does this leave Côte d'Ivoire and its shiny new chocolate factory?

While there are doubts about the benefits Cémoi's new chocolate factory can bring, the overarching message that more of the profits and jobs associated with cocoa need to stay in country is clear. Engaging farmers more in the future of the cocoa industry is crucial, according to the 2015 Cocoa Barometer: "Unless cocoa farming provides a living income, it simply isn't sustainable. It is a long-term business imperative and a basic human right." It is only once locals start tasting the profits from the industry that cocoa, and indeed chocolate, can survive.

Harriet Constable