

# Cocoa product exports up by six fold, BOC XI data revealed

Data gathered from the Bureau of Customs (BOC) Region XI office revealed that volume of cocoa products exported from the region from 2008 to 2009 increased dramatically.

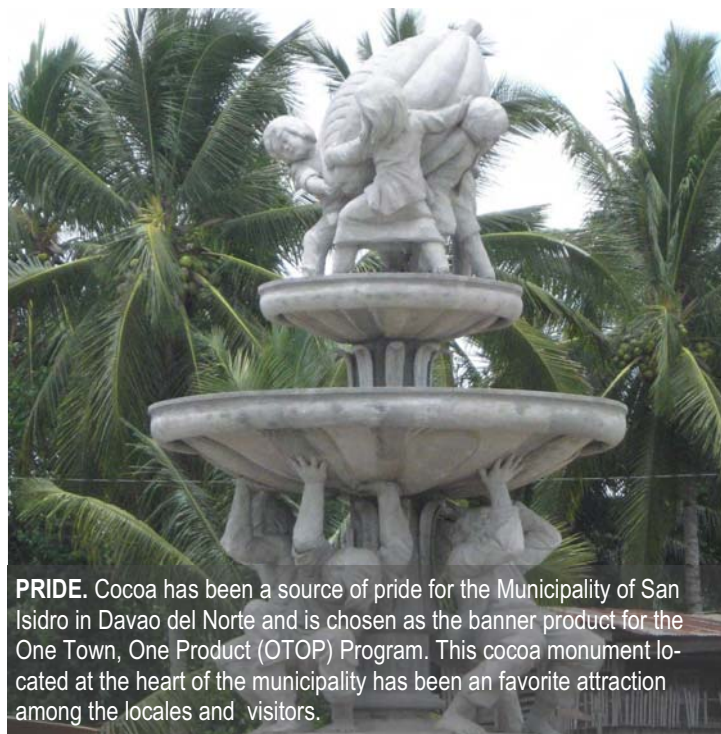
“The increase in the export volume of cocoa based products from the region as compared to the previous years has been very impressive. Years back, we rarely handled transactions related to cocoa exports. Surprisingly, in year 2009 number of transactions increased and we at the Bureau are glad to see developments like this for we know it translates into number of opportunities which is good for the country’s economy”, Mary Ann P. De Guzman, the acting chief of the export division of BOC XI said in an interview.

In the 2008 and 2009 data of BOC XI, cocoa products exports posted an impressive six fold increase from only 151 metric tons in 2008 to 1,112.63 metric tons in 2009. Based on BOC XI account, in 2008 China and the United States are the main importing countries of cocoa products from the region. However, in 2009 the market expanded to Europe, with Netherlands as the main shipping point, and also in the neighboring countries like Thailand and Malaysia.

In 2009, the bulk of cocoa exports from the region were shipped to Malaysia with 59% of the total export volume. A total of 25% went to Thailand, 9% to the Netherlands, 7.19% went to the USA, which used to be the top export destination in 2008. Malaysia and Thailand markets have contributed to the decrease of volume exported to the USA, this may be attributed to proximity of the new importing countries which entails a lower shipping cost for exporters.

Mrs.Charita Puentispina the owner and manager of Puentispina Farms is among the exporters of cocoa products from the region. She is amongst those who are very happy with this development. “Few years back, in cooperation with other industry stakeholders including Mars Inc. and ACDI/VOCA we have encouraged massive cocoa production to farmers through trainings, technology

*(Continued on page 2)*



**PRIDE.** Cocoa has been a source of pride for the Municipality of San Isidro in Davao del Norte and is chosen as the banner product for the One Town, One Product (OTOP) Program. This cocoa monument located at the heart of the municipality has been a favorite attraction among the locales and visitors.

## WATCH INSIDE

**Industry development newsletter seen to bring cocoa industry players together, find out how... *page 2***

See how cocoa made internet connection possible for Malagos elementary school...*page 3*

Davao Oriental and Davao del Norte farmers to gain better access to best practices and

technologies in cocoa production, see how....*page 3*

Check buying prices of cocoa production from various key locations in Davao Region ... *page 4*

See latest cocoa events through the lens...*page 4*

Get the latest updates of the CoCo-Pal Project...*page 4*

upgrading and marketing efforts,” Mrs. Puentispina said in an interview.

Puentispina added that, the development that the industry experienced today has been a great reward. “However, cocoa players must not forget that to sustain this needs everybody’s cooperation. To produce products which are of good quality and right quantity is one of the key to advance the industry’s position. This strongly requires chain wide observation and implementation of good practices which warrants the cooperation of everybody, Puentispina continued.

A lot of farmers are now interested and have engaged in cocoa production and cocoa farm rehabilitation activities. Cocoa production has been very attractive among farmers nowadays as it offers a very profitable venture for them to engage in. The promise of a lucrative local and export markets, and the continuous increase of the selling prices for cocoa products is a huge incentive for many farmers in different parts of the country.



## Mindanao cocoa industry development newsletter launched



**Davao City – The island of Mindanao has been a home to several cocoa industry players engaged in different value chain activities, from production to marketing, to business development services and the like. Since the late 1960’s cocoa has been an important crop in Mindanao, but it declined in 1990’s onwards.**

However, cocoa production for the past couple of years increased as the cocoa gained prestige especially among farmers with a promise of a lucrative markets and the continuous increase of selling prices in different parts of the region.

Mr. Leo Avila, the new chief of the Davao City Agriculture Office said in an interview that all the positive news and the promise that the cocoa industry brings to our poor farmers is very inspiring. “If we can get our acts together along with other industry players to sustain this development, there is no doubt that the cocoa industry can be the next big thing which I am very excited about. Being an advocate for environmental preservation, I also saw the huge potential of cocoa as an agro forestry crop.” Mr. Avila added.

Mr. Nic Richards the chief of party of ACDI/VOCA shares the same sentiment. According to Mr. Richards, the cocoa industry offers vast opportunities to many, however, there needs to be a unity and common goals among industry players to sustain this. “I think getting information across the industry to build a

sense of common purpose, direction and interest in the cocoa industry is important. Along the way we can keep people’s minds engaged on the most important question in the Philippines Cocoa Industry: who, what, where and when will the 50 million clones be planted to supply the 100,000 tons we strive for?” Mr. Richards added.

ACDI/VOCA has developed the concept of cocoa industry newsletter **Cacao Watch** to address the needs, news and views of the re-emerging cocoa industry in Mindanao.

**Cacao Watch** will focus attention onto cocoa industry development matters and promote awareness of the industry domestically and internationally.

ACDI/VOCA, in consultation with key stakeholders, will develop and publish this newsletter to serve as vehicle in industry cohesion, coordination and consultation. It will be published every two months or so for the following purposes:

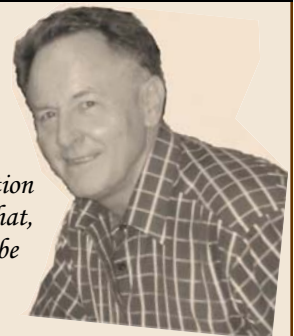
- ◆ Update stakeholder regularly on news, developments, trends and market information for cocoa industry
- ◆ Act as a vehicle to promote the Philippines cocoa industry domestically and internationally
- ◆ Provide a venue for people to raise issues, concerns, ideas and solutions on cocoa industry development
- ◆ Provide some cocoa market analysis for domestic and international cocoa markets

Cacao Watch simply serves to facilitate the process and get stakeholders to have a better sense of the Mindanao cocoa industry and how it is changing. It will foster a common purpose, mission, opportunities and address common constraints to rejuvenate the cocoa industry

Other cocoa industry players are also encouraged to participate by sharing stories and/or related articles that can be of benefit to the industry in general. This can be done through emails, pre-arranged interviews or by simply sending articles to the newsletter address found at the back of this paper.

## POD TALKS

*Getting information across the industry to build a sense of common purpose, direction and interest in the cocoa industry is important. Along the way we can keep people’s minds engaged on the most important question in the Philippines Cocoa Industry: who, what, where and when will the 50 million clones be planted to supply the 100,000 tonnes we strive for?*



- Nic Richards, Chief of Party of ACDI/VOCA, stating the need to come up with the Mindanao Cocoa Industry Newsletter

## Askinosie Chocolate grants internet connection to Malagos Elementary School

Askinosie Chocolate, founded and owned by Shawn Askinosie is a small “bean to bar” chocolate maker located in Springfield, Missouri, USA. They make single origin chocolate in small batches and sell them all over the world.

Malagos Elementary School (MES) is in the heart of the area where some of Askinosie Chocolate cocoa beans are sourced. In September 2008, Askinosie started buying organically produced beans from the farmers of SUCCESS Alliance II Farmer Field School in Davao City.

Through the Cacao Cares Project, the Chocolate University program of Askinosie in partnership with Drury University, Boyd Elementary, Pipkin Middle School and Central High School in Springfield worked together to grant MES in Davao City, Philippines with computer and internet connection.

Mr. Shawn Askinosie once visited the Malagos elementary school and met the students and faculty during which he found out that the school does not have computer and internet connection. After which, Mr. Askinosie in coordination with MES faculty conceptualized Cocoa Cares Project which facilitated in raising funds that enabled the school to purchase the necessary equipments needed including internet connection.

“It is an honor to connect with Malagos Elementary and help begin the students’ journey towards technology in the school setting. As an international school, we are excited to partner with MES and its community to connect students from across the globe for an enriching learning experience.” Julia Armstrong, Pipkin Middle School teacher, said on her written message to MES read during the project launching.

## MCDC to bring cocoa farming technologies and best practices closer to farmers

Established in January 2008, Mars Cocoa Development Center (MCDC) in Malagos, Baguio District in Davao City has made significant contribution to the development of the country’s cocoa industry. Mars’ efforts is geared towards bringing positive environment and socioeconomic benefits of sustainably grown cocoa to farmers, their families and their communities. MCDC develops and disseminates best practice in cocoa cultivation, cocoa planting materials distribution, investigates new methods to control pests and diseases and seeks new ways to improve quality of cocoa.



**FERMENTATION:** MCDC promotes the practice to ferment cocoa beans among farmers. Peter Cruz here shows fermentary boxes used in Puentispina Farms to ferment their cocoa beans for export.

Mr. Peter Cruz, the manager of MCDC said that in their two years of operation, he has witnessed significant improvements in terms of practices and technologies used by farmers as a result of their interventions in coordination with other groups composed of farmer organizations, government agencies, non-government organizations and the private sectors.

However, there are still areas where farmers were not able to access MCDC’s services because of distance and other factors. “From the farm visits I conducted, I have seen the dire need of some areas in terms of upgrading of practices and technologies in cocoa production. It is for this reason why we wanted to set-up satellite stations in key provinces to bring our services closer to farmers”, Cruz said in an interview.

Based on their account, from year 2008 to 2009, MCDC Davao City has served a total of 3,158 cocoa industry players, most of these are farmers. Of these clients served, sixty nine percent (69%) are participants of the Farmer Field School activities while the other thirty one percent (31%) are walk-in clients which are composed of farmers, extension workers, and other players interested in cocoa.

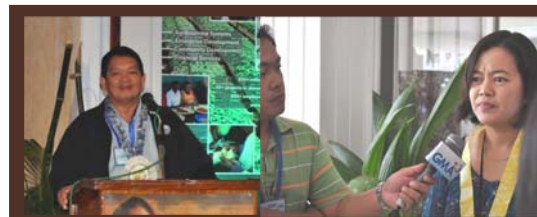
The provinces of Davao del Norte and Davao Oriental which are among the significant cocoa producing areas in Davao Region chosen by MCDC for the set-up of the satellite demonstration farms. This effort is expected to intensify widespread rehabilitation of existing cocoa farms as well as expansion of cocoa production areas in these provinces. MCDC satellite cocoa technology demonstration farm will be situated in Barangay Mayo, City of Mati, for Davao Oriental and in Sitio Mabuhay, Barangay Dacudao, Mucipality of San Isidro for Davao del Norte. These areas were selected on the basis of being the cocoa production center of each province and cocoa farms are already in place.

# COCOA GALLERY

## PEOPLE, EVENTS and PLACES *through the lens*



**TOP:** Parents and teachers of the Malagos Elementary School together with DepEd, MCDC and ACDIVOCA staff during the launching of the Cocoa Cares Program (May 24, 2010)



**LEFT PHOTO:** DA XI, Regional Director, Dr. Carlos Mendoza, delivers a message during the launching of the CoCoPal Program. **RIGHT PHOTO:** Ms. Fay Fay Cho, Commercial Manager of Mars, Inc. entertains local media during the event (April 21, 2010—Apo View Hotel, Davao)



Cocoa farmers from Davao City during their participation in the Agri Products Fair, organized by Josefa Segovia Foundation



**Connected.** Mrs. Estrella P. Villanueva, the school principal observes Kaye Zyra Manon-og one of first batch of MES students who now learned the conduct of research with the use of internet.



### COCOA PRICE WATCH

PRODUCT (Cocoa Beans)	Buying Price Per Kilo									
	Davao City		Davao del Sur		Davao del Norte		Davao Oriental		Compostela Valley	
	High	Low	High	Low	High	Low	High	Low	High	Low
Wet Beans	P28.00	P31.00	P25.00	P16.00			P13.00	P15.00	P25.00	P25.00
Dried, Fermented	P100.00	P110.00	P110.00	P75.00			P85.00	P90.00		
Dried, Unfermented	P90.00	P110.00	P70.00	P55.00	P50.00	P100.00	P90.00	P95.00	P65.00	P80.00
Dried, All-in	P70.00	P100.00	P65.00	P50.00	P30.00	P96.00	P90.00	P95.00	P65.00	P70.00

ACDI/VOCA—Area Development Facilitators' Price Monitoring as of August 2010

### CoCoPal UPDATES

- ◆ August 2010 - A writing workshop was conducted for the development of CoCoPal training modules. The workshop was participated by representatives from the PCA XI, PhilRice, MCDC, Agricultural Training Institute XI, and Landcare Foundation Coconut farmers enjoyed on site consultation with cocoa experts as CoCoPal Program participated the annual Kaniyogan Festival at SM City Davao last August 9—11, 2010
- ◆ CoCoPal Program booth was among the most visited as farmers and other players interested in cocoa, coconut and rice flocked during the first Malagos Farm Fair

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Cacao Watch gives you a space to share your interesting cocoa stories. You can also send comments and suggestions. Kindly send them to this address:

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