

Outlooks on Diversification: The Case for Cocoa

Our investigation into agricultural alternatives continues

St. Lucia's movement toward agricultural diversification is currently restricted in two major ways. The first bottleneck is export policies: all major crops are controlled by a board with a monopoly on policies and prices. Farmers are left with little influence on the production and marketing of their own crops.

For example, the St. Lucia Agriculturists Association (SLAA) has exclusive control over sales of coconuts, nutmeg, mace, and cocoa. With sole right of export mandated by law, the SLAA sets prices up front, which can have a damaging impact on the incentive to farmers.

This situation in turn influences the second impediment to diversification, which is the national attitude toward agriculture as a business. The discouraging residue of colonialism has coloured the outlook of professional farmers, who may not have the sense of pride and control essential for growth. Though the Division of Agriculture at Sir Arthur Lewis Community College is technically the oldest agricultural school in the region, St. Lucia's full agricultural potential remains to be developed.

There is very little data available on the true economic costs of agriculture, because few people keep farm records, believing the information will be used against them for tax purposes. Current cost accounting practices, such as the 'inputs' levied by the monopoly boards, also frustrate a sense of business ownership.

Attempts have been made to overcome these obstacles. In early 1988, for example, ginger farmers presented a petition to the Minister of Agriculture expressing concern that all profits from ginger sales were accruing to the St. Lucia Marketing Board, not to the farmers. Ultimately the law was revoked, allowing additional ginger exporters to test the waters, but unfortunately essential planting materials were lost during Tropical Storm Debbie, and other islands succeeded in capturing the ginger market.

The Ministry of Agriculture is currently exploring crops with diversification potential, including cassava, which doesn't require a very rich soil and can be processed as flour and cereal products, and tree crops such as the mango. Several years ago an Israeli scientist conducted an experiment in St. Lucia to test the prolonged

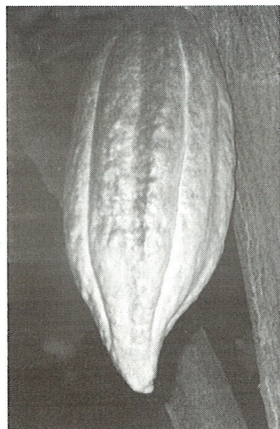
harvesting of mangoes, but rainfed irrigation alone proved insufficient, and domestic water is too often in short supply to supplement irrigation as required.

The cocoa crop is a promising alternative, according to Anthony Philgence, Regional Head for the Region 2 Agricultural Extension Service, who spearheaded the development of the Northern Cocoa Cooperative. Cocoa offers significant advantages in that the trees control erosion, provide good soil protection, and don't require the application of destructive chemicals, or synthetic fertilizers which eventually degrade soil structure and integrity, leading to massive erosion and flooding.

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Cocoa, along with cassava and sweet potatoes, was introduced to the island by the indigenous Caribs and Arawaks. The pods accumulate nutrients which return to the soil, unlike bananas, which deplete the soil. Cocoa trees generally bloom between April and June, which is a good time for soil maintenance, and the pods can be harvested from September/October through March. Pruning every three to five years is adequate upkeep. The trees grow close together, allowing for maximized land utilization, and the deep interpenetrating roots provide excellent erosion control; Debbie wiped out most of the banana crop, but not cocoa.

'Frankly speaking, I personally believe cocoa offers the best choice,' Philgence commented in a recent interview. Cocoa has a built-in unique selling



proposition (USP), essential for successful marketing, in that the taste can't be duplicated synthetically. Many flavours for soft drinks and other commercial products are derived chemically, but for a real chocolate taste you must have cocoa.

The European chocolate market is huge, and worldwide, chocolate consumption is up. Cocoa and chocolate are surprisingly nutritious: calorie-rich due to the fat content, cocoa also supplies some carbohydrate and protein, and significant amounts of essential minerals such as chromium, iron, magnesium, phosphorous, and potassium (according to Ensminger's *Foods and Nutrition Encyclopedia*). Many people suffer deficiencies of these minerals due to a refined food diet and soil depletion. Plus, chocolate is famous for lifting the spirits, probably due to its theobromine and caffeine content, which produce a mild stimulating effect.

St. Lucia's local bean is desirable to our current largest consumer, World's Finest Chocolates, because it offers a full, rich flavour, unlike hybrids. Hybrid beans are larger, longer, and less oily, making them more profitable for production, but taste is sacrificed.

Perceived disadvantages of the cocoa crop include its seasonality, the high value of tree crops which can discourage growers who don't own the land, and the processing required for profit. But as with any raw material, the profit really lies in the processing. Right now farmers might be paid 50 cents a pound for the 'wet' bean, whereas the SLAA buys processed beans for \$3.25 a pound.

There is a market for cocoa sticks in the OECS (with Barbados the largest consumer), and possibly further afield. Mass production of sticks would allow St. Lucia to be able to afford to sell competitively, but at the moment there is only a single active fermentary, located in Dennery.

During cocoa stick production, a food-grade vinegar is created as a by-product of the fermenting process. This vinegar is another potentially marketable product.

Seeing great promise in cocoa, Philgence began meeting with farmers and discussing the benefits of a cooperative in 1989. In 1995 the Northern Cocoa Cooperative began meeting regularly. Currently there are 12 members, plus an executive board of five. Farmers need only 15 bearing trees to be eligible to join.

Farmers deliver their wet beans to the Cooperative, who handle the fermenting and processing, and profits are shared. This both removes



the burden of processing – which farmers perceive as cocoa's main disadvantage – and ensures quality control.

Ultimately the group plans to operate their own fermentary, which would increase profits significantly. An exciting possibility for the future would be the sale of shares in the collective effort. Educating people in the advantages of cooperatives is a slow process, however. Philgence is hopeful even so. 'You can't bulldoze people into doing something. If you try to force it, it will form quickly, but fall quickly, because their hearts are not in it.' He firmly believes that to really understand something, people 'have to feel it for themselves.'

Currently cocoa comprises only about 2% of St. Lucia's crop output. Bananas account for 80%, and coconut about 5%. As a soil conservation strategy and a marketable product, the cocoa crop could play a much more valuable role.

As Philgence noted with a laugh, 'Sometimes you find yourself like a piece of cheese in a sandwich, with people on one side, policy on the other.' In the weeks and months following the election, it will be interesting to see how quickly policies can be adapted to remove self-imposed obstacles to economic growth and allow the pursuit of promising opportunities such as cocoa.

Anthony Philgence points out the benefits of cocoa in the shade of mature trees maintained by the Extension Service