

# Final Report

*On the*

## **Consultancy entitled Characteristics of the Cocoa Supply Chain in Belize and Diagnosis of Cooperation Among Stakeholders**

### **Submitted to:**

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## **1.0 Executive Summary**

Since the end of 2003, CATIE has been in discussion with the Norwegian Ministry of Foreign Affairs on the possibility of establishing a new Norway-CATIE collaboration (regional project; six countries) to support the modernization of the cacao sector in Central America via interventions in production chains, germplasm, improved as well as diversified shade management, etc. In the semi-annual CATIE-MFA/Norway -Sida meeting, about institutional support for CATIE (Oct. 11, 2006), both of these initiatives were discussed and it was decided to proceed with an inception phase for the cocoa project, i.e. prepare the base line. As TCGA is an integral part of the cocoa sub-sector in Central America, the association is included in the CATIE-Norway initiative, thus the need for the series of consultation to gather the relevant baseline data for Belize.

This consultancy had as its major objectives to:

- Describe the competitive situation of the supply chain of cocoa in Belize,
- Gather the baseline data for Belize which will be used for analysis and to feed into the Central American Program of Environmental Agriculture (PAAC—in Spanish)
- Recommend lines of action to be sued in the reformulation of the logical framework of the PCC.

The objectives of the consultancy were met; however, it will be noted in the report that the cocoa sector in Belize is very basic, thus there was little or no information on some areas of the sector.

## **2.0 General Situation of the Chain in Belize (Sector)**

### *A. Background of Cocoa Production in Belize*

Cocoa has been cultivated in Belize for home use for hundred of years; some estimates date cocoa production to 1000 B.C. with more intensive cocoa farming beginning by 250 B.C<sup>1</sup>. Apart from the historical works, very little is known about cocoa production in Belize until the late 1800's when some attempts were made to diversify the local economy in southern Belize from purely timber extraction to production of modest acreages of rubber, cocoa, coffee and bananas. The major hub of this production was the German owned Kramer's plantation which was able to export around 42,800 pounds of cocoa in 1906. By the beginning of World War I the Kramer's Estate was on the decline and shortly thereafter became dormant (Toledo: A Study in Elusive Development).

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<sup>1</sup> TCGA Proposal: Increasing and Strengthening the Organizational Capacity of the Toledo Cacao Growers Association.

In the early 1980's there was renewed interest in commercial cocoa production in southern Belize to meet the demands of the Hershey Corporation which had developed a plantation of 300 - 400 acres in Central Belize. Hershey initially committed to buying cocoa beans from growers in the Toledo and Stann Creek Districts; however, this market was short-lived. Around the same time that Hershey was present in Belize, a group of 26 local cocoa farmers formed the Toledo Cacao Growers Association via assistance from the USAID's Toledo Agricultural Marketing Project - TAMP (the TCGA was officially incorporated in 1986). With the aid of TAMP, improved genetic material was imported from Costa Rica, thus today, cocoa produced in Belize are of both local varieties and hybrids.

In the late 1990's to early 2000's there was an attempt by an entrepreneur to produce chocolate on a commercial basis using cocoa from the Hershey Corporation's plantation; however this attempt was unsuccessful primarily due to inadequate quality and a burdensome repayment schedule for his start-up loan.

### *B. General Description of the Present Cocoa Sector*

At present cocoa production in Belize is limited to the actors which are involved in the production of raw material, i.e. fermented and dried cocoa beans, for the export market only. No processing on a commercial level<sup>2</sup> is done in Belize. Actors involved in the production are:

#### *i. The Toledo Cacao Growers Association (TCGA)*

The TCGA is an association comprised of almost a 1,000 small Maya farmers (average of 0.4 hectares) in the Stann Creek and Toledo Districts of southern Belize. These producers produce their cocoa on small parcels of communal land or land leased from the Government. Production is done organically under shade. TCGA purchases the cocoa from its members, packages these in export bags and then export these to Italy.

TCGA's primary role can be summed up as indicated below:

- a. Serve as a central location to which cocoa is delivered and exported.
- b. Secure funding so as to provide technical and administrative support services since the association is not financially self-sufficient.
- c. Promote the interest of its members as it pertains to organic cocoa production.

#### *ii. Hummingbird Citrus, Ltd. (HC, Ltd.)*

HC, Ltd. is a private entity which secured ownership of the former Hershey Corporation Plantation describe in 2.A. As the name implies, this company's main focus is citrus; it remains in cocoa production because the plantation was there when the property was purchased. It has no desire of expanding its cocoa operations<sup>3</sup>.

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<sup>2</sup> As will be noted in the diagram illustrating the cocoa sector in Belize, one entity, Cirila's chocolate, is presently producing artisan chocolate, but on a very small scale.

<sup>3</sup> Ricardo Montero, Managing Director (personal communication)

*iii. Non-members of TCGA*

In Belize there are about 10 small cocoa producers who are not members of the TCGA. These farmers sell their products on the local market (such produce is not certified organic or FairTrade).

Organic cocoa production, as practiced by farmers in southern Belize, is more competitive (based on return on labour) than rice cultivation, the main competitor as a cash crop among small farmers (Edwards, R., 2003). On the contrary, it appears that if labour was readily available, from a purely economic standpoint farmers would be better off accepting labour rather than venturing into organic cocoa production<sup>4</sup>; this is because in essence farmers are only converting their labour into money (detailed information on the economics of production at the farm level will be through the diagnosis of farms and household) and the time until a financial return can be obtained is rather long, i.e. three - five years.

Of course, the importance of organic cocoa production as a major source of income generation in southern Belize, especially Toledo, is underscored by the fact that close to 79% of the population in Toledo lives in poverty. To this end, while the economic return is rather low (US\$0.83 per pound in 2007), organic cocoa production can be considered a means of employment for the 200 farmers who already have mature cocoa trees.

At the macro level, Belize suffers from a trade imbalance of the cocoa sector, i.e. the value of cocoa products imported is approximately three times greater than the value of cocoa exported. For example, in 2006 Belize imported US\$1,078,665 worth of cocoa products while total export was under US\$300,000.

### **3.0 Mapping of the Chain**

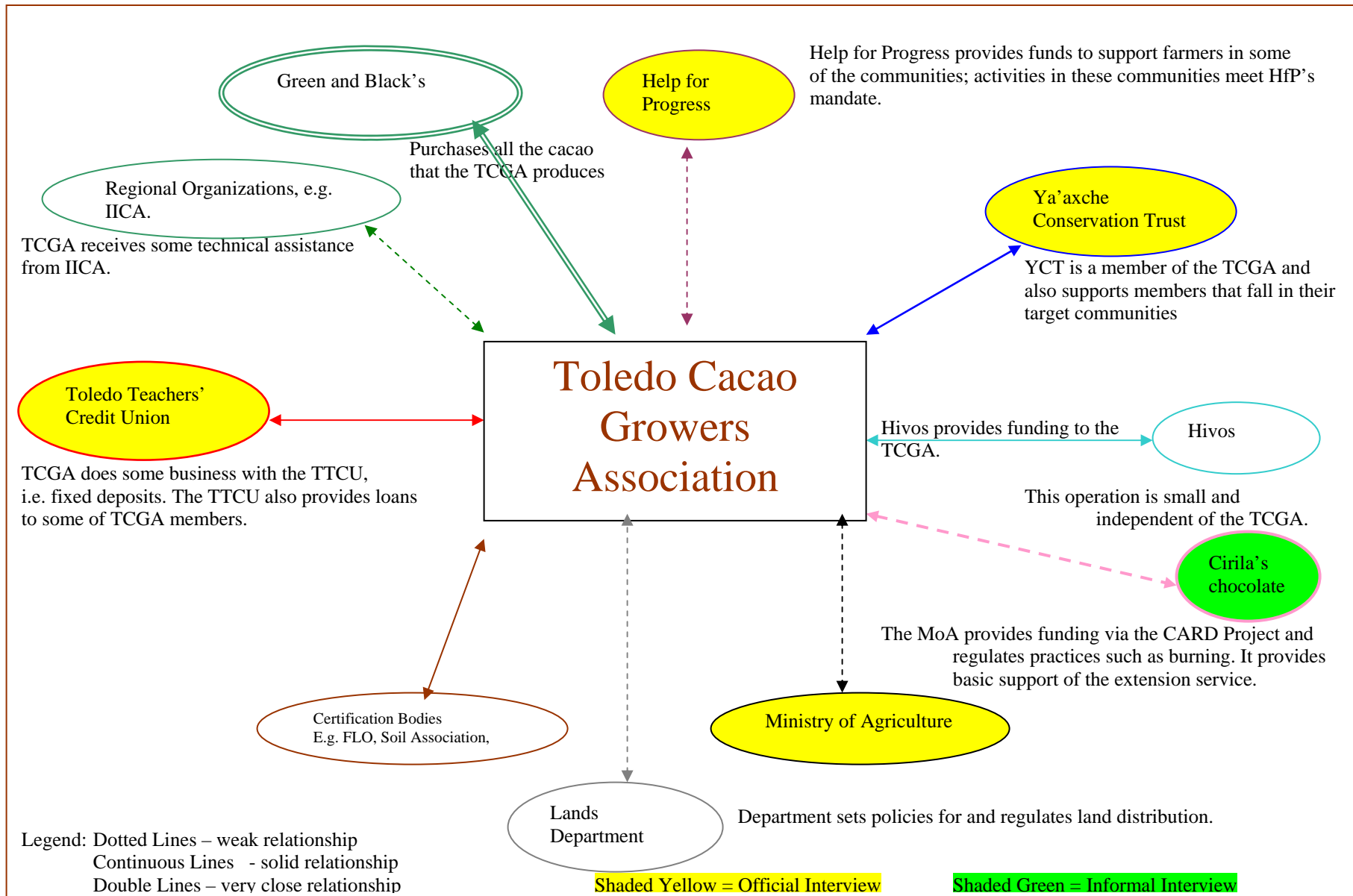
As indicated in Section 1, there is no cocoa chain in Belize. All the cocoa produced is exported as raw material to Europe where it is used to manufacture chocolate and other cocoa products. In the case of the TCGA, the cocoa is exported directly to Green and Black's, Ltd. of the United Kingdom, thus there are no intermediaries.

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<sup>4</sup> This in no way implies that farmers would be better off overall, but rather serve to illustrate that there is much room to improve productivity so that organic cocoa production can become much more financially competitive.

#### 4.0 Position of the Toledo Cacao Growers Association (TCGA) Within the Cocoa Sector in Belize.

Apart from Hummingbird Citrus, Ltd. all other activities relating to cocoa production in Belize revolves around the TCGA. For many agriculturists in Belize, the cocoa sector and the TCGA are therefore the same. The relationship between TCGA and the other actors are illustrated in the diagram below:



TCGA is managed by a 9-member Board of Directors elected from among its general membership. The association's draft 2007 – 2012 Strategic Plan indicates that one of the association's weakness is the 'limited capacity of the Board of Directors'. Based on the document reviewed and interviews conducted, TCGA collaborates with various development agencies; however there is no formal agreement with any other development agencies in Belize. Furthermore, TCGA is the lead entity in the cocoa sector, thus the development of the sector is, to a very high degree, being guided by the TCGA. Any detailed study of the cocoa sector in Belize is therefore in essence a study of the TCGA and the attempts it has made in strengthening itself as a cocoa producer association.

All the cocoa produced by the TCGA is sold to Green and Back's, Ltd. at above both the world market price and the minimum price established by FairTrade (in 2007 G&B's is paying US\$2,300 per metric ton; this is US\$200 as organic differential, US\$150 as FairTrade Premium, and US\$1,950 for the cocoa beans itself). The relationship between the TCGA and G&B's is governed by a five-year rolling contract through which G&B's commits to purchasing all the cocoa that the TCGA produces; this means that for the next five years TCGA does not envision seeking another outlet for its cocoa.

## **5.0 Technical Report on the Supply Chain of Cocoa in Belize**

### **a. Baseline of competitive agreements**

TCGA has informal agreements with the entities outlined below; however, there are no formal agreements to jointly develop the cocoa sector in Belize.

#### **i. Help for Progress (HfP)**

This relationship is one whereby HfP, with assistance from Oxfam and Irish Aid, is attempting to improve the socio-economic standards of the communities in southern Belize. One approach HfP is using to assist families is to establish four acres of organic cocoa. TCGA and HfP have an agreement for the implementation of the project; however, this agreement is limited to the duration and scope of the project.

#### **ii. Ya'axche Conservation Trust (YCT)**

The YCT is a Non-Governmental Organisation that is promoting organic cocoa production as a means of alternative livelihoods in its target communities. YCT promotes organic cocoa production by providing cocoa seedlings to community members, providing training, and assisting them to become members of the TCGA. All farmers who are assisted by YCT are therefore members of the TCGA.

YCT has also established its own cocoa orchard with the aim that when this comes into production it can generate some income and help fund its operations<sup>5</sup>. Cocoa produced will likely be sold to the TCGA. There exists an informal understanding

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<sup>5</sup> Note: YCT's cocoa farm appears as belonging to a farmer in TCGA's records; however, this farm is two years away from reaching maturity.

between YCT and the TCGA; however, as with Help for Progress, no formal agreement<sup>6</sup> for cooperation has been signed.

iii. Toledo Teachers' Credit Union (TTCU)

TCGA use the services of the TTCU to place funds in term deposits<sup>7</sup>. TTCU also provides micro-loans to farmers, some of whom are members of the TCGA. There exists no formal agreement for cooperation.

iv. Others

TCGA has weak relationships with other entities such as the Ministry of Agriculture and IICA; however as with the others above, there are no formal competitive agreements.

From the above, it must therefore be concluded that the baseline of competitive agreement is nil, there are no such agreements.

b. Baseline of productive-strategic alliances

Productive-strategic alliance is understood to refer to alliances between two or more links in a productive chain. In the case of Belize and the TCGA, there is no productive chain, hence no links. While the association has formed some weak alliances, such as with the Toledo Maya Women's Council, these alliances are not to make the sector more competitive per se, but rather alliances by virtue of the fact that the same donor is funding both organisations.

## **6.0 Problems and Proposals for Improvement (strategy and plan) at the General Level of the Chain - Contributions to the Competitiveness Agreements and Arrangements.**

- i. The sector is being lead by the TCGA, thus it has and will continue to develop at the rate at which the TCGA develops.

TCGA is 'the cocoa sector' in Belize. All decisions pertaining to production, marketing, etc. are made by the association. TCGA has not made any concrete efforts in bringing other entities into the decision making level of the sector. The result is that the sector is a direct reflection of the level of development of the TCGA and its survival hinges on the ability of the TCGA to survive. This means that organisations such as YCT and Help for Progress, which have significant technical expertise, have had no voice in the development of the sector.

Of course, based on some informal interviews conducted it does appear that there is an underlying current that some organisations are entering the cocoa

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<sup>6</sup> While the relationship may be mutually beneficial, a formal agreement would bind the parties to keeping certain commitments. A formal agreement could, for example, be for YCT and TCGA to jointly approach the World Bank for funding for the cocoa sector.

<sup>7</sup> A term deposit is when a sum of money is placed in a financial institution for a specific duration of time, e.g. one year. The owner of the funds agree not to remove the funds during this time, thus such are used by the financial institution for investment purposes. A higher interest rate is paid to the customer.

sector with the aim of eventually producing artesian chocolate, which they believe would be more competitive than selling only raw materials. If this transpires then the dynamics of the sector may change.

#### *Proposal for Improvement*

A committee, similar to the now defunct Cacao Task Force, to guide the development of the sector should be established. This committee should include representatives of different organisations and should focus on development at the sector level only. TCGA's Board of Directors would continue to oversee TCGA's affairs, but would also be able to draw on the capacity of the larger committee. TCGA, or the Ministry of Agriculture (MoA) as the policy making body, should take the lead in actively engaging the different players for the development of the committee. Based on the feedback obtained, the other actors are desirous of having greater contributions to the sector. Of course, the relationship between the TCGA and the MoA is rather weak, thus this proposal would need to be vetted by the highest authority of the TCGA.

- ii. TCGA has not established official agreements/partnership with other entities; there is no collaboration with educational and/or research institutions.

#### *Proposal for Improvement*

TCGA should seek to develop and sign official cooperative agreement with other entities. Such agreements could, for example, be to jointly seek funding, undertake research<sup>8</sup>, etc. (this proposal will likely be highlighted in the diagnosis of the TCGA, thus it will not be elaborated here).

- iii. There is only one outlet for the cocoa; while this outlet is a good and secure one, development of the sector can be constrained by the demands of the buyer.

#### *Proposal for Improvement*

A comprehensive analysis of the potential outlet for cocoa and market for local chocolate and other cocoa products in Belize should be undertaken. While TCGA strategic plan is still in its draft's stage, the plan highlights the fact that it would be wise for the TCGA to diversify its outlet of cocoa (of course, this is a policy decision for the TCGA).

Some mechanism could be instituted to strengthen the local entrepreneur who has ventured into local chocolate for the tourism sector. Based on the informal interview with Cirila's Organic Chocolate the demand for local chocolate is increasing rapidly, with the major constraint being an inadequate mechanism for distribution.

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<sup>8</sup> As an example, documents at the TCGA indicate that the United States Department of Agriculture would consider venturing into an agreement to conduct some research with the TCGA for the benefit of its members. While TCGA may not capitalize on this opportunity, it has been documented in the report to indicate that it exists.

- iv. Females are active in the sector, but only at the production and marketing level, not at the decision making level (reference is not made here at the family level or internal to TCGA).

*Proposal for Improvement*

This situation is a cultural factor, thus the only proposal is for the various actors to undertake a sustained educational campaign. For any change to be ethical it should be internal to communities and not imposed on them.

- v. Based on this diagnosis it appears that the national policies are not conducive to cocoa production.

*Proposal for Improvement*

To be developed in the diagnosis of the government policies.

### **7.0 Problems and Proposal to Improve (strategy and plan) at the Level of the Links - Contributions for Productive and Strategic Alliances.**

Here again, this section is not very applicable to Belize since there is no productive chain. The only pertinent information is the fact at present TCGA has no productive and strategic alliances.

## **8. Consultant's Observations**

The following list of observations are intended to assist the project partners in any future consultancies that may be necessary as part of the planned activities of this project.

- a. Despite the TCGA being twenty years, the cocoa sub-sector is very basic. It is therefore not practical to attempt to gather information that is not there, e.g. if there is no productive chain then there can be no links.
- b. There was a delay of approximately two weeks between the submission of the first draft and formal feedback being provided. This resulted in the Consultant not being able to complete the exercise within the timeframe he had scheduled.
- c. While some actors in the sector have significant skills relating to development, gender issues, etc., their knowledge and experiences of the cocoa sector are limited.

## **9. Annexes**

### **A. *References:***

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Belize Central Statistical Office, 2007.

Cho, C. 2007 – (Informal Interview – Cirila's Organic Chocolate).

Edwards, R., 2003. The Toledo Cacao Growers Association: A case study of the economic viability of organic shade-grown cacao and potential for its increases in production given market access to Soil Association and FairTrade certification.

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Petchers, S., 2004. The Market for Differentiated Cocoa: A Market Opportunity Assessment for Small Cocoa Grower Organizations.

Romero, L. 2007. Interview – Toledo Teachers' Credit Union.

Sho, A. 2007. Interview – Ya'axche Conservation Trust.

Toledo Cacao Growers Association, 2007. Draft 2007 – 2012 Strategic Plan.

Toledo Cacao Growers Association, 2004. Project Proposal: Increasing and Strengthening the Organizational Capacity of the Toledo Cacao Growers Association.

## B. Log of Visits and Interviews

<b>Date</b>	<b>Place Visited</b>	<b>Objectives of Visit</b>	<b>Person Interviewed</b>	<b>Contact Established</b>
February 27 <sup>th</sup>	Ya'axche Conservation Trust's (Punta Gorda)	To meet with the Executive Director and arrange for the interview	Carlos Montero (not interviewed)	Tel: 501-722-0108 Email: <a href="mailto:info@yct.bz">info@yct.bz</a> / <a href="mailto:yct_ffi@btl.net">yct_ffi@btl.net</a>
February 28 <sup>th</sup>	Toledo Cacao Growers Association (Punta Gorda)	Meet with TCGA's personnel	Justino Peck (informal interview)	Tel: 722-2992 Email: <a href="mailto:tcga@btl.net">tcga@btl.net</a>
March 9 <sup>th</sup>	YCT Field Station (Golden Stream village)	Interview Agro-forestry personnel	Auxebio Sho	<a href="mailto:auxleman28@yahoo.com">auxleman28@yahoo.com</a>
March 21 <sup>st</sup>	Fruit Processors Ltd. (Silk Grass Village)	Meet with the Manager Director, the owner of Fruit Processors Ltd. is also the owner of Hummingbird Citrus, Ltd.	Ricardo Montero	Tel: 501-522-3144 <a href="mailto:ricmontero@btl.net">ricmontero@btl.net</a>
March 22 <sup>nd</sup>	Agriculture Department (Toledo District)	Interview Extension Officer	Andrew Mejia	Tel: 501-722-2698
March 28 <sup>th</sup>	Toledo Teachers' Credit Union (Punta Gorda Town)	Interview Manager	Leopoldo Romero	<a href="mailto:ttcu@btl.net">ttcu@btl.net</a>
March 29 <sup>th</sup>	Help for Progress (Belmopan)	Interview Executive Director	Elias Awe	Tel: 501-822-2371/2543 <a href="mailto:progressbelize@hotmail.com">progressbelize@hotmail.com</a>
March 30 <sup>th</sup>	Development Finance Corporation (Belmopan)	Interview DFC senior personnel	Alvaro Bautista (informal interview)	NA
March 31 <sup>st</sup>	San Felipe Village	Informal interview with owner of Cirila's Organic Chocolate	Cirila Cho	Tel: 663-9632

***Annex 1. Guide to Interview the Organizations of Producers***

**GUIDE FOR THE INTERVIEW**  
**ORGANIZATION OF PRODUCERS**

Name	Toledo Cacao Growers Association
Legal Representative	Luis Armando Choco
Chair	Justino Peck
No of partners	1,034 (817 active members)
Local and/or national address	P.O. Box 160, Main Street, Punta Gorda, Toledo, Belize
Telephone number	501-722-2992
Fax number	501-722-0109
Electronic mail	tcga@btl.net

**I. Generalities 1.1. Organizational Structure**

Members make up the highest decision making body. Members elect a nine-member Board of Directors who governs the association. Day to day management is by a manager with supporting administrative and field officers.

**1.2. What services are offered to the producers?**

Cocoa processing                       Administrative assistance       Technical assistance

- Collection when fresh
- Collection when dry
- Trading
- Financing √
- Project management √
- Support to community projects
- Other √

TCGA facilitates the sale of other products for its members, e.g. all-

In which topics?	Who participates?
Assistance in opening accounts at the Credit Union, etc.	Any member who is desirous of doing so.
Application for land titles, etc.	Any member.

In which topics?	Who participates?
All facts of organic cocoa production, e.g. training in orchard maintenance and inspection of orchard for same	All members

spice.

Note: TCGA does not collect the dry cocoa beans; farmers bring these to the mains deport where such is purchased from them.

**1.3. Who do they offer the services to?**

- Partners
- Individual producers ✓
- Collaborating organizations ✓
- Others

**1.4. Which are the constraints they have in offering “excellent” services?**

- Limited resources – human and fiscal.
- TCGA’s experience as a corporate body is limited to that of a producers association.

**1.5. What is your purchase capacity of dry product?**

TCGA purchases all cocoa of acceptable quality that is produced by its members. The association enjoys a five-year rolling contract with Green and Black’s for all the cocoa that the members can produce.

**1.6. What is the cost of the drying service? (Cost per qq)**

Not applicable.

**1.7. Do they have PROCESSING service?**

Yes \_\_\_\_\_ No ✓

**What type of equipment do you have?**

Not applicable

**1.8. What is the cost of this service?**

Not applicable

**1.9. Do you sell PROCESSED PRODUCTS?**

Yes \_\_\_\_\_ How much \_\_\_\_\_  
No ✓

## II SUPPORT FROM OTHER ORGANIZATIONS

### 2.1 From which organizations have you received support or technical assistance?

Currently

- Agriculture Department- Toledo , Ministry of Agriculture and Fisheries
- United States Peace Corps
- Green and Black's, Ltd.
- Ya'axche Conservation Trust
- IICA – information on organic agriculture.
- OIRSA
- Belize Agricultural Health Authority
- Hivos
- Help for Progress/Oxfam – GB
- Green and Black's, Ltd.

### 2.2 Which are your funding sources? (List names)

Currently

- Hivos.
- Global Environmental Facility/Small Grants Program.
- Community Initiated Agriculture Rural Development Project - CARD (co-funded by the Caribbean Development Bank and International Fund for Agricultural Development).
- Green and Black's, Ltd.
- Protected Areas Conservation Trust.
- ACICAFOC/PMIIE.
- FairTrade Organic Premium.

### 2.3 Does Toledo Cacao Growers Association provide credit to its partners?

Yes  No

### 2.3 Under which norms do you manage the credit to your partners? (see organizations survey)

- Credit is basically in the form of planting bags and seedlings (this is minimal at the present). During 2003 -2006 TCGA had a robust credit program. All credit is provided at an interest free rate. Farmers sign an agreement which indicates they've agreed to the terms of the loan. There is no official collateral.

### III COOPERATION AND COMMUNICATION NETWORKS

This section should be completed together with the entrepreneurial diagnosis consultant in the case of the target organization of producers for the Project Cocoa Central America. For any other non-target organization of producers interviewed, the process should be made by the consultant individually.

#### 3.1 Are there policies to promote cooperation between enterprises and institutions?

Yes \_\_\_\_\_ No .

##### ¿Why?

Prior to 2007 TCGA did not operate based on any formal strategic and/or development plan (the association's 2007 – 2012 Strategic Plan is still in its draft stage). TCGA has pretty much been the sole entity in Belize to be promoting the cocoa sector.

#### 3.2 Do you make agreements with the suppliers and/or related enterprises? What type of agreements?

TCGA has a rolling five-year contract with Green and Blacks for all of the cocoa it can produce. This contract is for FairTrade price for organic and FairTrade cocoa. TCGA has no other formal agreements with any other entity.

#### 3.3. Does the enterprise compile external information?

YES

SOMETIMES

NO

(Information is limited to the price for cocoa on the world market and updates from FairTrade and the Soil Association).

#### 3.4. Who makes the processing of external information?

Enterprise personnel

Third party personnel

Eventual personnel

Other \_\_\_\_\_

**3.5. Which are the information sources of the enterprise?**

- Permanent consultancies
- Occasional consultancies
- General or specialized publications
- Internet lists and pages
- Sectorial and municipal norms
- Attendance to fairs and congresses
- Attendance to courses
- Associations
- State entities
- Other \_\_\_\_\_

**3.6. How does your organization rate the reliability of the information sources it uses?**

- Very good       Good       Bad       Very bad

### 3.7. Which are the uses given to the information?

Planning of the enterprise development

Knowledge about market development

Research and development of new products

Identification of opportunities

Identification of new needs

Identification of new market niches

Development of cooperation networks

Other

### 3.8. Mapping of stakeholders

In this section, we analyze the relationships that the organization has been able to establish in order to strengthen its performance. These relationships can be commercial, political, financial or advisory.

#### Tool: Mapping of Stakeholders

A participatory mapping of the stakeholders with whom the organization is related should be made. These stakeholders include suppliers (machinery and equipment, supplies, packaging materials, transportation services, etc.) and service providers (entrepreneurial management, marketing services, financial services, productive assistance, industrial engineering, other). The relationships between the organization and the different stakeholders should be drawn by using dotted lines for weak relationships, continuous lines for solid relationships and double lines for very close relationships. Write down the characteristics of the relationship next to the lines. In discussing each type of stakeholder, we generate the necessary information to fill out the Chart on Access to Technical, Entrepreneurial and Financial Services.

#### Chart on Access to Technical, Entrepreneurial and Financial Services

Type of External Agent	Name(s)	Services provided	Conditions to access the services	Degree of satisfaction (high, mid, low)
<b>Local development agencies</b>	Toledo Teachers Credit Union (TTCU)	Banking services to the TCGA. Loans to TCGA members.	1. Must be a members of the TTCU 2. To access loans must normal loans must have collateral	High
<b>Other cooperatives</b>				
<b>NGO</b>	a. Ya'axche Conservation Trust.	a. Technical assistance to some cocoa producers.	a. Farmers must live within target communities.	High
	b. Help for Progress	b. Co-financing for project to alleviate poverty via cocoa production	b. Farmers must live within the target communities and have less than four acres of cocoa.	High
<b>International cooperation projects</b>	ACICAFOC/PMIIE	Funding for organic cocoa production and institutional development	Submission of an application based on PMIIE's format.	Medium
<b>Public institutions</b>	a. Belize Agricultural Health Authority (BAHA).	a. Provides phyto-sanitary inspection at export only.	a. Be able to pay the required fee.	a. High
	b. Ministry of Agriculture	b. Regulatory services, i.e. burning of forest, valuation for damaged orchards, etc.	b. No special requirement	b. Medium
	c. Lands Department	c. Land related issues	c. No special requirement	c. Low
<b>Enterprises</b>	Swift and Associates	Accounting services and External Financial Auditing	Be willing and able to pay the required fee.	High
<b>Universities</b>				
<b>Other</b>	Inter-American Institute for Cooperation on Agriculture	Information sharing	none	Medium

### Guiding questions (access to services)

- Which institutions, organizations or enterprises provide you with technical, entrepreneurial and financial services (marketing, trading, product design, market information, financial services, administrative/accounting services, etc.?)
- Which are the other providers of these services that exist, but with which the organization does not have a relationship? Why are you not relating with these enterprises, institutions or organizations?
- Are there some service needs that your current providers have not been able to meet?
- Which are the services that exist in the environment but to which you cannot have access? Why?
- Which services are needed but do not exist?

Note: As a producer association, all the services that the TCGA requires are available in Belize; the limiting factor is the lack of financial resources to:

- a. Secure such services.
- b. Secure the services of adequate personnel to maintain the systems that the services producers would develop.

### IV. PERCEPTION OF THE PRODUCT QUALITY

#### 4.1. Description of the main products from the organization

Emphatic disagreement= 1, Disagreement = 2, Agreement = 3, Emphatic agreement = 4, Does not know = 0 o NA

Description Do you agree that the product you sell ...	A	B	C
	Dry cocoa	Chocolate	...
Satisfies the needs of the demand?	4		
Is made with good quality raw material?	NA		
Is recognized by brand or any other type of distinctive sign?	4		
Has the adequate presentation?	4		
Is packed in the adequate way?	4		
Is supported by an adequate information and promotion	NA		
Is delivered on time?	4		

**4.2 Regarding the factors that determine the price**

	YES	NO
a) The clients condition pricing.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) The State, through its policies and legislation, determines the prices of the products.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) The prices are regulated through an agreement of the association.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) The price levels established by the competitors are taken into account.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) The prices are determined according to the cost structure of the enterprise or according to the profit margin that the enterprise wants to obtain.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**4.3. Do you pay a quality differential? YES \_\_\_ NO**

All cocoa that meet the required quality is purchased at the same price; cocoa that is not of acceptable quality is rejected.

**4.4. Which criteria do you use to differentiate the qualities?**

The quality of the cocoa beans is determined by:

- Its dryness
- Degree of fermentation.

**4.5. What is the current quality differential?**

Not applicable

**4.6. What are your trading costs? (Export service, transportation, customs, insurance, other certifications)**

Export Services = US\$25 per metric ton  
 Transportation = US\$110 per metric ton  
 Customs = US\$25 per metric ton  
 Trading Admin = US50 per metric ton  
 Certification  
 (Soil Association) = US\$10,000 per annum  
 (FairTrade) = US\$6,000 per annum

**4.7. Who do you get advice from for your trading or marketing actions?**

The minimum trading price is established by FairTrade Labeling Organization. Price above this is established by Green and Black's in collaboration with the TCGA. TCGA does not give any other attention to trading and/or marketing.

**4.10 Who buys your product and in which percentages?**

Place or Client	Name	Sales share (what to write)
A	Green and Blacks, Ltd	100%
B		
C		

**4.11 Regarding quality monitoring**

a) Do you classify the cocoa you buy? YES \_\_\_ NO

b) When in the processing process do you make the classification?

Not applicable

c) What classifications do you make?

Not applicable

d) How do you differentiate or monitor the quality?

Area where the cocoa comes from	
Aspect of the cocoa at the time of delivery	
Humidity of the cocoa	<input checked="" type="checkbox"/>
Degree of fermentations	<input checked="" type="checkbox"/>
Tasting tests	
Other	

**e) How often do you monitor quality?**

Quality is monitored whenever members bring their cocoa to be sold; however, the Extension Agents provide some monitoring of quality in the fields, especially where there are new farmers.

**f) What services do you provide to your partners in order to improve the quality?**

TCGA has no partners that are producing cocoa. All entities that are producing cocoa are members of the association.

**g) Is there a cost for this service?**

Not applicable (based on the present situation).

**4.12. Do you have certifications? Which ones? (ISO, other)**

<b>Certification</b>	<b>Volumes or percentages</b>
OCIA orgánico	
Utz Kapeh	
Rainforest Alliance	
Justo –fair trade	100%
BioLatina	
Ecológica	
Biosuisse	
Soil Association	100%

**4.14. How do you do the internal monitoring for the certification?**

TCGA has an internal compliance manual that has been developed based on the Soil Association and FairTrade Standards. A full-time Compliance Officer is assigned to ensure that all facets of the association’s operations are in compliance with the required standards at all times. The Compliance Officer is assisted by the extension service personnel who inspects all farmers a minimum of once annually.

***Annex 2. Guide to Interview Governmental Institutions and NGOs***

**GUIDE FOR THE INTERVIEW**  
**Governmental Institutions and NGOs**

**Time of Interview: Friday March 29<sup>th</sup>, 2007 (3:00 – 4:30 p.m.) - Belmopan**

**I. GENERAL INFORMATION**

Name (Social status)	Help for Progress
Legal status	Non-Governmental Organization – 1981
Legal representative	Mr. Alfonso Tzul
Local and/or national address	P.O. Box 97 Forest Drive Belmopan Belize, Central America
Telephone number	(501)822-2543/2371
Fax number	(501) 824-1099
Electronic mail	<a href="mailto:progressbelize@hotmail.com">progressbelize@hotmail.com</a>
Person or persons interviewed	Elias Awe

1) What is the Mission and Vision of the Organization?

a. Mission – Working with local and regional partners to strengthen and enable communities to identify needs and opportunities for community development.

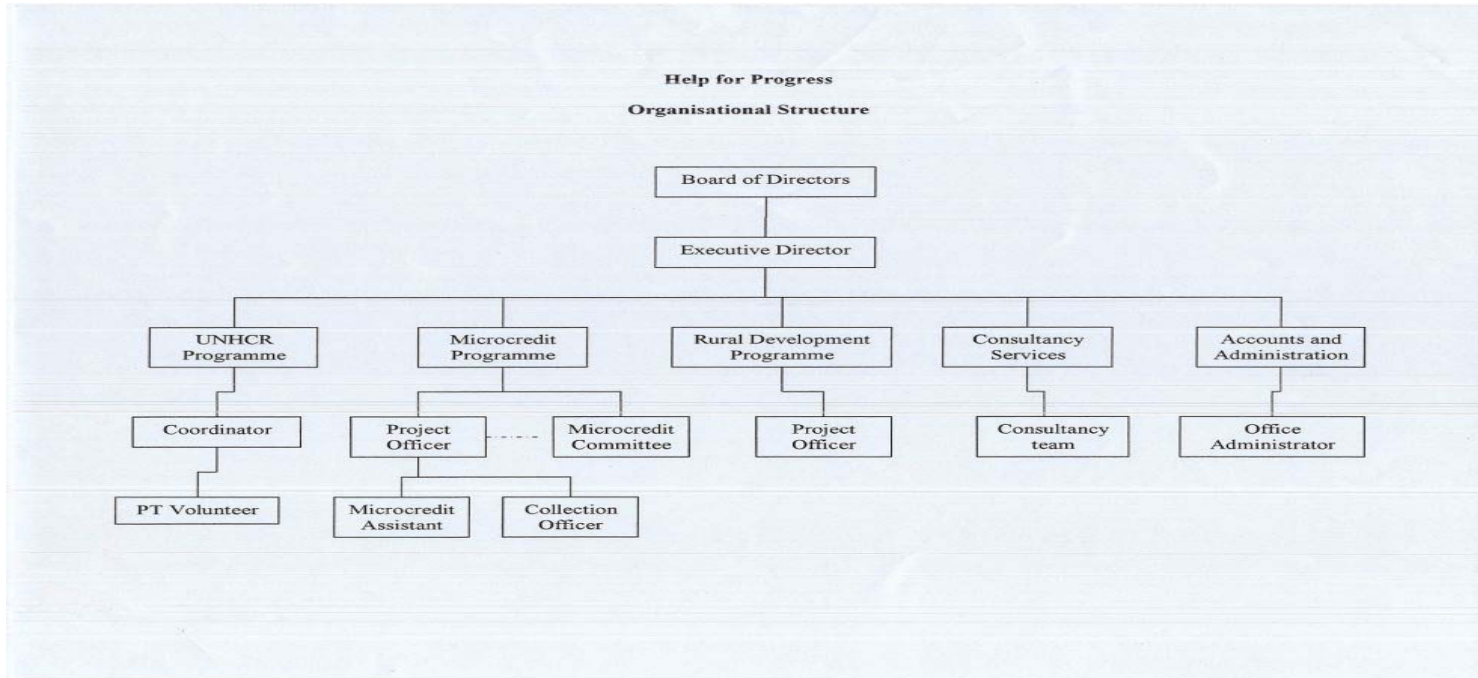
b. Vision – In the process of development

2) What are the short term objectives of your organization and what are your long term goals?

HfP global strategies are as follows (these can, in essence, be considered as the organization’s goals)

- a. Network with government, private sector, donor agencies and NGO's to foster cooperation and bring about positive lasting social and economic changes in society
- b. Assist beneficiaries with institutional strengthening.
- c. Assist in creating sustainable livelihood opportunities through access to technical and financial resources.
- d. Promote concept for the creation of strategic alliances and partnerships at the community level.

3 What is the organizational structure of your entity? Organizational chart



4) What is the experience of the personnel related to cocoa in the organization?

Personnel have some experience, but would require some refresher/additional training.

5) What actions are promoted regarding gender, both in promotion and in trade?

Help for Progress is grounded in equal opportunities for both genders. Conscious efforts are made so that all programs incorporate this philosophy; however, HfP has just completed upgrading its gender policy and will be a renewed effort in strengthening this characteristic of its programmes.

6) Are there governmental practices that promote the cocoa sector? Explain.

Not sure.

7) Which are your current financial sources for your cocoa activities? (List Names)

Currently

- Oxfam, GB
- Irish Aid

## II.- PROJECTS IN IMPLEMENTATION

Name of the project	Description	Financing source	Beneficiaries/target group/partners
Equity Development in the Adjacency Zone (Belize – Guatemala)	Community development in the AZ, e.g. via organic cocoa production, honey production, etc.	Oxfam, GB	Communities in the AZ Zone
Not sure	Poverty alleviation in southern Belize, micro-credit.	Irish Aid	Local stakeholder and communities

## III. INTER-RELATION BETWEEN STAKEHOLDERS

### Regarding the development of cooperation networks

#### 1) What actions are performed to promote the cooperation between organizations and institutions in the area?

Institutions	Type of collaboration
Toledo Cacao growers Association	Collaboration for project implementation
Tumul K'in Center of Learning	Collaboration for project implementation
NGO Consortium	Partnership for holistic development in southern Belize. Official Memorandum of Understanding.
Friends of the Adjacency Zone	Networking for peace and development

#### 2) Who are your main collaborators or partners that help you reach your objectives in the cocoa sector?

- a. Toledo Cacao growers Association
- b. Funding Agencies
- c. Ministry of Agriculture

#### 3) Which partners or collaborators are visualized as key to promote the cooperation in the cocoa chain? Indicate names.

- a. Line Ministries of the Government – Agriculture, Natural Resources, Education, and National Development.
- b. TCGA
- c. Green and Blacks, Ltd. and other potential buyers.
- d. Belize Marketing and Development Corporation
- e. Belize Trade and Investment Development Services

#### 4) What are the needs to reinforce the capacities of your organization in support to the cocoa sector?

- a. Training in organic cacao production
- b. Funding for extension services

#### Other Points:

1. TCGA probably needs to realign its organizational structure for continued efficiency and provide additional training to its extension officers for improved collaboration.
2. Perhaps there needs to be a task force to guide the continued development of the sector; this could serve to strengthen TCGA's Board of Directors.

***Annex 3. Guide to Interview Financial Service Providers***

**GUIDE FOR THE INTERVIEW**  
**Financial Institutions**

**Time of Interview: (Wednesday March 28<sup>th</sup>, 2007, 2:00 – 3:30 p.m.)**

**I. GENERAL INFORMATION**

<b>Name (Social status)</b>	Toledo Teachers' Credit Union
<b>Legal status</b>	Registered Credit Union – Credit Union Society Act – 2001
<b>Years since foundation</b>	Five
<b>Legal representative</b>	Leopoldo Romero
<b>Chair</b>	Oscar Requena
<b>Total No of clients</b>	3,700
<b>No of clients (Cocoa producers)</b>	10
<b>Local and/or national address</b>	Queen Street Punta Gorda, Toledo Belize
<b>Telephone number</b>	(501)722-2522
<b>Fax number</b>	
<b>Electronic mail</b>	ttcu@btl.net
<b>No of employees</b>	10

**a) What is the Mission and Vision of the Organization?**

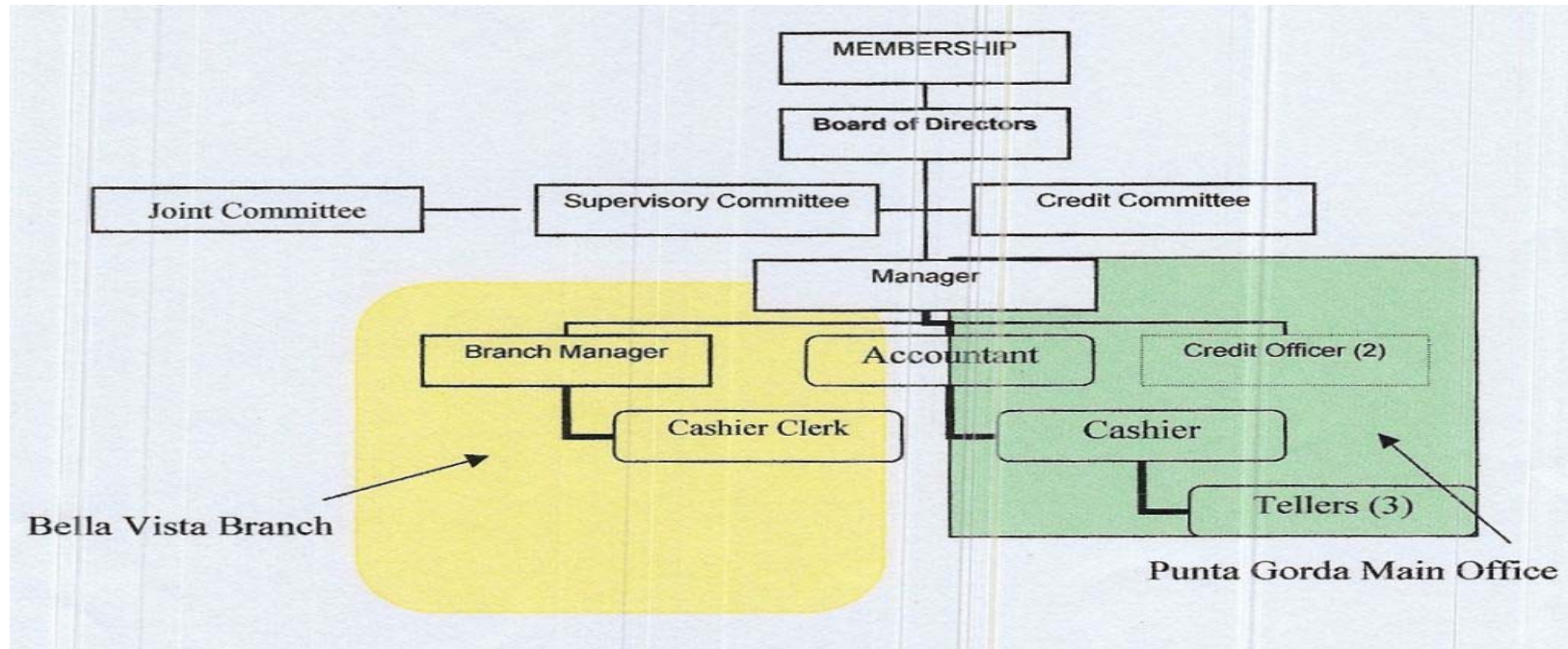
a. Mission – The Toledo Teachers' Credit Union aims to be a viable, innovative and transparent financial institution that will provide the most efficient, reliable and competitive financial services to its members and other citizens of Toledo district through education, the use of modern technology and sound financial management practices.

b. Vision – not available.

**b) What are the short term objectives? What are the long term goals of your organization?**

All objectives pertain to strengthening the services offered so as to contribute to development of Toledo.

c) What is the organizational structure of your organization? Organizational chart



e) What actions do you promote regarding gender with respect to the financial services you provide?

- Females and youth are strongly encouraged to take advantage of the micro-credit programme.
- Credit officer provides assistance to all members, but emphasis on females.

Note: the TTCU does not have a gender policy.

f) What are your current financing sources? (List names)

Currently

- Community Initiated Agriculture and Rural Development Project.
- European Union
- Membership savings

## II REGARDING THE SERVICESE

a) What type of producer (client) are your services oriented to?

- Survival producers
- Small producers ✓
- Medium producers
- Large producers
- Small enterprise
- Medium enterprise
- Associations or cooperatives of producers
- Other

b) What follow up mechanisms do you use for the credit granted?

The TTCU has credit officers which work with borrowers in ensuring that funds are spent according to plan and records are properly kept by borrower for fiscal responsibility. There is also a mechanism for regulating loans delinquency.

c) What are the amounts and minimal and maximum terms of credit for this line?

Loans are provide of up to US\$2,500 are provided and for a maximum duration of one year.

d) In addition to credit, what other services do you offer to your clients?

- a. Savings
- b. Term deposit
- c. Salary advances
- d. Deduction
- e. Insurance on loans
- f. Training in business management

**e) How do you value your services with respect to related enterprises?**

<b>Factors</b>	<b>Enterprise 1</b>	<b>Enterprise 2</b>
<b>Interest rate</b>		
<b>Amounts</b>		
<b>Terms</b>		
<b>Additional service</b>		
<b>Speed in service</b>		

The TTCU offers loans at very low prices, below what is available in the region. Loans are at a rate of 1% per month of the reducing balance, which works out to less than 10% per annum. This is below the Commercial Banks which lend at 12% and above.

**f) Do you work in collaboration with cocoa certifiers? No  
Which ones?**

**g) What is your incentive system for the producers?  
Mention:**

- a. Opportunities to be a member – shareholder, obtain dividends and life insurance.
- b. Can attend annual General Meetings and have a voice.
- c. Potential to benefit from scholarships to children of members.

**h) What actions do you take to measure the impact of credit in farm development?**

- Haven't taken any action. Hopes to start soon.

### **III. COLLABORATION NETWORKS**

**a) Do you participate in networks or working groups with other local organizations?**

**Yes, at two levels:**

- Locally, through our members.
- Nationally, through the credit Union League.

**b) What are the needs to reinforce the capacities of your organization in attending the cocoa producing sector?**

- Additional training for personnel
- Funds which can be loaned to farmers on a more medium to long-term basis, e.g three to five years.

**Other notes:**

Factors that have contributed to the success of the TTCU

- a. Use of up-to-date equipment and software.
- b. Good infrastructure.
- c. Good governance.
- d. Training at all levels.

***Annex 4. Guide to Interview Governmental Institutions and NGOs***

**GUIDE FOR THE INTERVIEW**  
**Governmental Institutions and NGOs**

**Time of Interview: (Friday March 16<sup>th</sup>, 2007 – 1:30 – 3:00 p.m.)**

**I. GENERAL INFORMATION**

Name (Social status)	Ya'axche Conservation Trust
Legal status	Non-Governmental Organization
Legal representative	Valentino Shal
Local and/or national address	P.O. Box 177 Joe Taylor Creek Punta Gorda Town, Toledo, Belize Central America
Telephone number	(501)722-0108
Fax number	(501)722-0108
Electronic mail	info@yct.bz / yct_ffl@btl.net
Person or persons interviewed	Ausebio Sho, Agro-forestry Manager

1) What is the Mission and Vision of the Organization?

a. Mission – The Ya'axche Conservation Trust is a community oriented NGO in southern Belize which implements and advances participatory conservation and sustainable use of natural resources for equitable regional development.

YCT accomplished this through exemplary protected area management, proactive stakeholder collaboration, educational outreach, strategic advocacy and by supporting innovative socially and economically viable enterprise.

b. Vision – The YCT will become the leader in promotion of economically and ecologically viable development in the southern region of Belize and will be independent and self-sustainable.

2) What are the short term objectives of your organization and what are your long term goals?

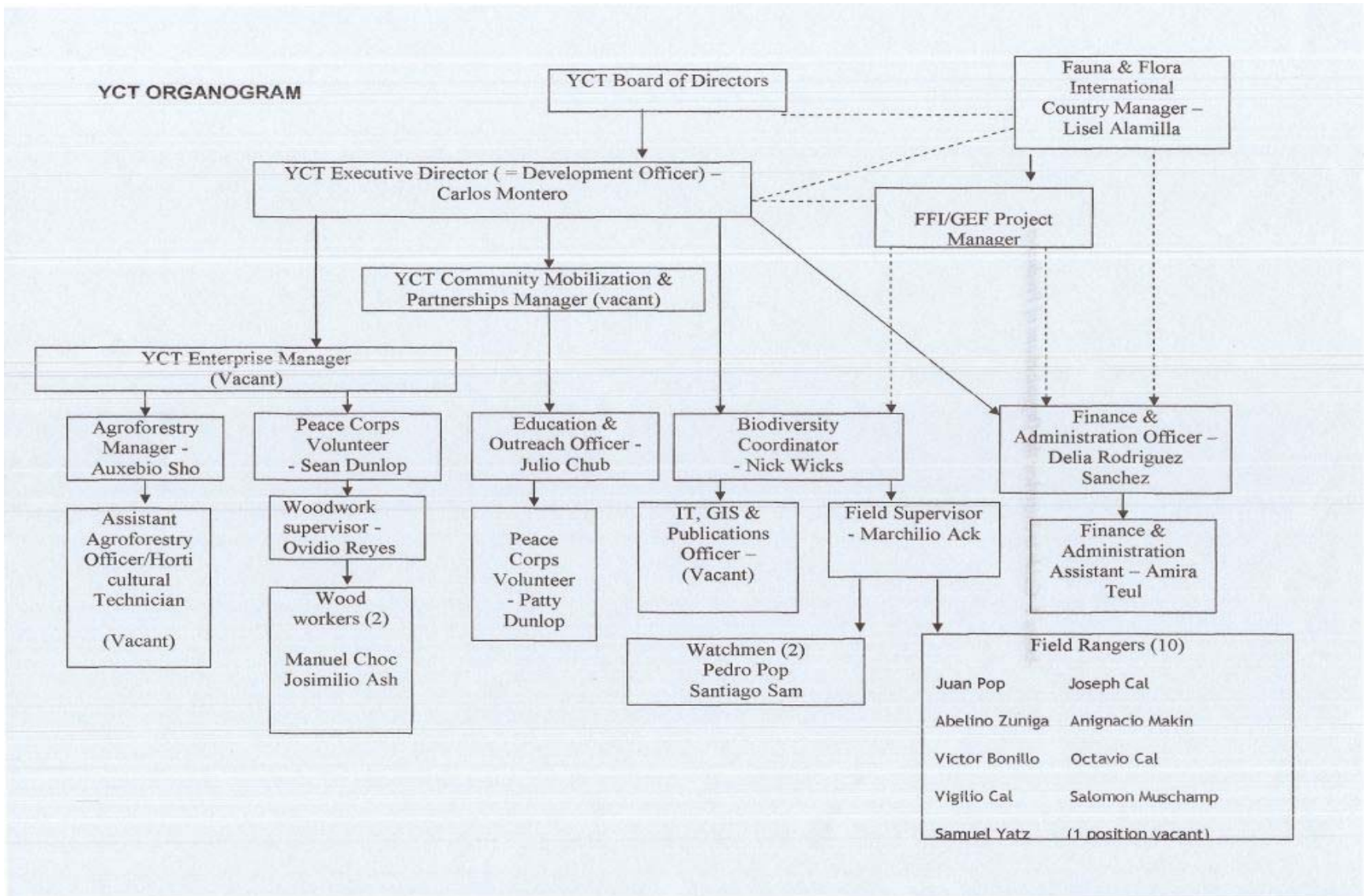
YCT focuses of the following global areas:

- e. Community enterprise development.
- f. Community Outreach and Education.
- g. Integrated Landscape and Protected Areas Management.

YCT seeks to accomplish the following objectives:

- a. Biodiversity conservation.
- b. To increase sustainable management in the Golden Stream Watershed.
- c. To enhance the socio-economic development of the local Mayan communities that border the Golden Stream corridor Preserve (GSCP)

3 What is the organizational structure of your entity? Organizational chart



4) What is the experience of the personnel related to cocoa in the organization?

Mr. Ausebio Sho has an Associated Degree in Applied Science in Agriculture and many years working as an Agriculture Technician with various organization and government departments. Mr. Sho has attended courses in CATIE, Costa Rica and has participated in similar training in Ecuador. Mr. Sho is familiar with all facets of certified cocoa production. A major strength is his knowledge of disease such as moniliasis and witch's broom.

5) What actions are promoted regarding gender, both in promotion and in trade?

YCT promotes cocoa production as a family activity, thus all projects have taken an approach to include both males and females. YCT also endeavors to include females in other programs, e.g, training in sewing.

7) Are there governmental practices that promote the cocoa sector? Explain.

There are no obvious government practices.

7) Which are your current financial sources for your cocoa activities? (List Names)

Currently

- a. US Fish and Wildlife Service
- b. DEFRA – agro-forestry

## II.- PROJECTS IN IMPLEMENTATION

Name of the project	Description	Financing source	Beneficiaries/target group/partners
US Fish and Wildlife Service (??)	Biodiversity monitoring for Migratory birds	US Fish and Wildlife Service	Local stakeholder and communities
Integrating Protected Areas and Landscape Management in the Golden Stream Watershed	Demonstrating that different entities can collaborate for the sustainable management and development of the watershed.	Global Environmental Facility	Local stakeholder and communities

### III. INTER-RELATION BETWEEN STAKEHOLDERS

#### Regarding the development of cooperation networks

- 1) What actions are performed to promote the cooperation between organizations and institutions in the area?
- 2)

Institutions	Type of collaboration
Bladen Management Consortium	Protected Areas Managers collaborating for the management of a nature reserve.
Fauna and Flora International	Partners in natural resource management, fund raising and co-implementation of projects.
Belize Association of Private Protected Areas	Collaboration for management of private protected areas.
Citrus Growers Association	Jointly seeking funding

#### 2) Who are your main collaborators or partners that help you reach your objectives in the cocoa sector?

- d. US Fish and Wildlife Service
- e. Toledo Cacao Growers Association
- f. Global Environmental Facility
- g. Faunal and Flora International

#### 4) Which partners or collaborators are visualized as key to promote the cooperation in the cocoa chain? Indicate names.

- f. Cacao farmers
- g. TCGA
- h. Green and Blacks, Ltd. and other potential buyers.
- i. Other NGO's, e.g. TIDE
- j. Financing Institutions, e.g. Toledo Teacher's Credit Union.
- k. Leaders in community
- l. Line Ministries of the Government – Agriculture, Natural Resources, Education, and National Development.

#### 5) What are the needs to reinforce the capacities of your organization in support to the cocoa sector?

- c. Infrastructure - for fermentation and drying.
- d. Inputs to increase soil fertility.
- e. Access to credit by farmers.
- f. Land tenure.
- g. Access to land – feeder roads.