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“Bridging the gap between increasing knowledge and decreasing resources”

Challenges Towards Sustainable Cocoa Production in Indonesia

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Abstract

In order to fulfil the global demand of cocoa in 2020, there is a need to increase cocoa production by 100–120 thousand tons each year. Indonesia is the third largest cocoa producer in the world, after Ivory Coast and Ghana. Since 1970, cocoa sector in Indonesia has indicated a steady progression and showed a big potential to take the lead in cocoa production. Nearly 90 % of cocoa producers in Indonesia are smallholders, while 8 % is public plantation and only 5 % is private estates. The annual average income of Indonesian cocoa farmers is only about 650 €. Some general challenges faced by cocoa farmers have been researched, but finding an effective solution to sustain the cocoa production is still a big challenge.

Despite the general knowledge about the challenges known so far, the authors are motivated to have a closer look and a deeper examination particularly on the Indonesian cocoa production by means of case study method. The objectives of this paper are (1) to have a better understanding of the challenges in the cocoa production in Indonesia (in Sulawesi and Kalimantan Islands) and (2) to identify potential alternative solutions to tackle the challenges.

The study has identified several challenges such as low farmers' empowerment, ecological degradation, weak marketing power, and poor infrastructure. Accordingly, some alternative solutions have suggested, including both technical and organisational measures. Some examples of technical solutions are improving the cultivation technique, as well as providing training on handling pest and disease. Furthermore, since most cocoa farmers in Indonesia are small farmers, a potential organisational solution is the establishment of producer organisations for collective production and marketing. Besides, a strong and transparent supply chain plays an important role to motivate the farmers to improve their product's quality.

Keywords: Cocoa production, Indonesia, producer organisation, sustainability