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Farmers’ and academia’s views”

Cocoa producers’ perspective on sustainable sourcing practices and the relation to their direct buyers

GIANNA LAZZARINI¹, LINA TENNHARDT², CHRISTIAN SCHADER³

¹*Research Institute of Organic Agriculture (FiBL), Dept. of Socioeconomics, Switzerland*

²*Research Institute of Organic Agriculture (FiBL), Dept. of Socioeconomics, Switzerland*

³*Research Institute of Organic Agriculture (FiBL), Department of Socioeconomics,*

Abstract

Chocolate companies increasingly implement sustainable sourcing practices to improve sustainability along cocoa supply chains (SSP). Past research has shown that the improvement of sustainability along supply chains highly depends on the relationships (i.e. trust, commitment, dependency and conflicts) between supply chain actors. However, this research has largely disregarded the perspectives of upstream farmers. Smallholder cocoa producers are key actors in cocoa supply chains and the target of many SSPs. Thus, we were interested in how they perceive these SSPs and their relationship with their direct buyers.

Semi-structured and qualitative interviews were conducted with 395 farmers and 9 direct buyers in two case studies of cocoa supply chains, from producer groups in Ecuador and Uganda to Swiss chocolate brands. The two case studies covered two different SSPs: an in-house sustainability programme and an organic certifications scheme. A Buyer-Supplier Relationship (BSR) framework was developed to illustrate applied power types (i.e. mediated vs. non-mediated) within SSP and their influence on the BSR quality. A content analysis was structured along this framework to illustrate BSR quality from a cocoa producer’s perspective.

Farmers saw several benefits and disadvantages and suggested various improvements to the SSPs. Results showed that farmers had high trust and commitment towards their direct buyers and did not feel very dependent on them. Conflicts mainly arose related to prices, lacking communication and support. While SSPs generally increased farmers’ dependency on specific buyers, implementation with non-mediated power (i.e. training) seemed to keep dependency but also farmer commitment rather low.

Findings suggest that training alone is not sufficient to establish and maintain a good BSR and higher commitment from the buyer’s side would improve overall BSR. Training needs to be less theoretical and more practice-oriented to be of actual support for the farmers. Furthermore, adequate prices and advance payments would help farmers and intermediaries to take the required actions to improve sustainability within cocoa cultivation and processing.

Keywords: Buyer-supplier relationship, cocoa cultivation, sustainable sourcing practices