

# Indonesia's Cocoa Industry Fights Pests

The government of Indonesia has chocolate on its mind. Across the cocoa plantations dotting this tropical archipelago, farmers face a complicated problem—pests—and high-ranking government officials are taking notice. Formed to address the issue, a stakeholder-driven Cocoa Stability Partnership is casting ripples stretching as far as U.S. shores.

“The Government of Indonesia is working hard to protect our cocoa industry,” said Ambassador Sudjadhan Parnohadiningrat, Indonesia’s top representative in the United States. “And together with the aid we are receiving from the U.S. and others, we can help these farmers through the CSP.”

Formed in 2006, the Cocoa Stability Partnership, or CSP, is a public-private partnership involving the Indonesian government, farmers associations, research institutes, businesses, and donor countries. Together, these groups have designed an integrated pest management system for Indonesia.

The ambassador’s interest reflects the importance of both the cocoa industry and growing U.S. trade with Indonesia, a country of 230 million stretching across the equator in Southeast Asia. From seed to shelf, the cocoa industry supports an estimated 800,000 families, and trends indicate that number may be growing. In 2005, American businesses imported \$178 million in cocoa from Indonesia. Estimates for last year are on pace to reach more than \$200 million.

The pests have caught U.S. attention, too. Indonesia is America’s second-largest supplier of cocoa, and a major source of the substance for Mars, Inc., the chocolate giant based in McLean, Virginia. Dairy and sugar producers, whose chocolate-related sales depend on a reliable cocoa supply, are also watching.

## **The problem**

At the center of attention is a small moth, the cocoa pod borer. The borer lays its eggs deep inside cocoa pods, allowing its larvae to snack on the beans inside. When farmers crack open the pods at harvest, they find flat and empty beans. The economic costs have been high.

“The cocoa pod borer is a double problem,” explained Ms. Metrawinda Tunus, agricultural attaché at the Embassy of Indonesia. “It lowers productivity by about 30 percent as well as the overall quality. The larvae eat away the fat content, which is needed in chocolate.” The result is not only a smaller harvest, but a lower price-per-unit. Ms. Tunus estimates that farmers lose around \$500 million yearly.

### **The counter-effort**

Under the Cocoa Stability Partnership, the Indonesian government is leading a drive to implement a three-part pest management system. By focusing on agricultural practices, biological controls, and the rational use of pesticides, stakeholders hope to reignite Indonesia's cocoa industry. The United States is a key partner.

Together, the U.S. Agency for International Development and the U.S. Department of Agriculture have trained more than 66,000 farmers over the last five years in pest-resistant agricultural practices. AMARTA, a USAID project, has strengthened the business and marketing side of the industry. And, through the CSP, the U.S. has supported research.

Mars, Inc., the American chocolate maker famous for Snickers and M&Ms, is also involved. Working with the Indonesian government, the company has supported farmer education, association capacity building, research, and technology transfer initiatives. Unexpectedly, the problem has fostered a strong public-private partnership.

The partnership's methods are diverse. In addition to emphasizing good agricultural practices such as frequent trimming, regular harvesting, and fertilizer use, the pest management system is looking at biological controls like the black ant. Harmless to the pods and greater ecosystem, the ants are deadly to the borers. Proportional use of standard pesticides is another tactic.

Even without the partnership, there are signs the industry is adapting. The market for chocolate is growing quickly, and unrefined Indonesian cocoa beans have found a niche in a surprising place—as health food. The Flavonols in non-fermented beans functions like Omega III, and may improve cardiovascular health.

But, to Ms. Tunus, the future of Indonesia's cocoa industry still depends on the success of the Cocoa Stability Partnership. Reviewing its efforts, she is positive: "We are fixing this. We have U.S. and international help. The borer cannot hold us back for long."

Washington, DC, February 27, 2007  
Information Division