

### Exporters Dominate Cameroon's Cocoa Sector

Cameroon's cocoa sector is largely dominated by exporters of unfinished products, namely raw cocoa beans. Prices given to farmers are far below world market prices, but buyers hold producers to very stringent quality control conditions. These conditions also drive the prices given to these producers downward. In the past, exports were geared exclusively to Europe, but over the past 10 years Asian markets have been a choice destination. Chinese and Turkish companies are increasingly interested in Cameroon's cocoa. Semi-finished products are exported to Europe, North America, and China. Finished cocoa products are sold nationally and in the subregion, but competition is stiffening from products from Asia that are making their way into national and subregional markets.

Cameroon's major actors in the global value chain are smallholder farmers, farmers' cooperatives, individual buyers, buyers' cooperatives, exporters of non-finished products, exporters of semi-finished products, manufacturers of chocolate and other cocoa products, pharmaceutical companies, and cosmetics manufacturers.

### Little Interest in Expanding Local Production

As the holder of the largest share of the market and the main manufacturer of cocoa into semi-finished products, SIC Cacaos has not tried to increase value added locally. Its management has not expressed interest in expanding local production, preferring to focus on expanding production capacity. The two competitors of SIC Cacaos, which are still young in the industry, have not expanded their local processing of cocoa. However, they plan to cover the entire industrial cocoa processing chain in the future.

Farmers and cocoa bean buyers make up the local cocoa sector suppliers, and all have devised mechanisms to make the best of their dealings. Although companies have promoted increased local value added, training workshops and awareness campaigns by the processing companies help to increase farmers' productivity and in effect support the local value added process.

Cameroon has no specific regulations on cocoa processing. All companies engaged in cocoa bean processing operate under the Cameroon investment code. They are also governed by regulations of the Investment Promotion Agency; the Ministry of Mining and Technological Development; the Ministry of Agriculture and Rural Development; and the Ministry of Small and Medium-sized Enterprises, Social Economy and Handicraft. The Support Programme for the Creation and Development of SMEs in processing and preservation of local products of mass consumption (PACD/PME) of the Ministry of Small and Medium-sized Enterprises, Social Economy and Handicraft promotes establishment and development of small and medium enterprises dealing in processing and preservation of local products of mass consumption. Directly and indirectly, PACD/PME has facilitated access to technology, financing, and other services required to establish and develop plants. Public authorities have also outlined a strategy to revive production of major cash crops.

Despite the interest and efforts by the Cameroonian authorities to promote more local-level processing, integration between agriculture and the cocoa industry is poor. Local processing does not result in finished products that are ready for consumption, but rather semi-finished ones that must undergo further processed abroad, leading to loss in value added for Cameroon .

