

Analysis and evaluation of cacao plantations in Tesoro Escondido, Ecuador

Susana Cárdenas Overstall

In order to analyse and evaluate the situation of the cacao growers in Tesoro Escondido, we organised a six-day visit to the province of Esmeraldas from 11 – 16 August 2013.

We were accompanied by Citlalli Morelos, Biology PhD student from the University of Sussex, Pamela Ferro, a lawyer from Client Earth, Felipe Alfonso of Washu Project and important members of the local cacao community.

Traders in Las Golondrinas

Traders who buy cacao from growers tend to make no differentiation between cacao *Nacional*, hybrid CCN51 cacao, well-fermented cacao, badly-fermented, cacao with *Monilia* (rotten cacao) or organic cacao as they mix all the varieties as one product category.

Prices of cacao vary between US\$40 per quintal (approx. 100 kilos) of cacao with *Monilia*; US\$70 per quintal of second-class cacao and US\$90 per quintal of a better quality cacao. Traders do not request or demand quality cacao from growers, as what is most important is the weight of the quintal rather than the quality.

The initial traders sell their product on to other traders in Santo Domingo or Quinde who re-sell it to exporters in Guayaquil at US\$110 per quintal. The price of an average tonne of Ecuadorian cacao is sold on the international market at US\$2,500, depending on the price fluctuations of the commodity on the New York Stock Exchange.

In Hoja Blanca, the traders operate on a smaller and more precarious scale. They tend to pay lower prices for the cacao bought from growers from Tesoro and surrounding areas of Hoja Blanca. Prices vary between US\$70 and US\$90. The situation is recurrent - they mix all the cacao varieties as one product category, in the same way as traders from Las Golondrinas.

Status of the cacao plantations in Tesoro Escondido

We visited seven cacao plantations in the forest, under the expert guidance of the President of the Cooperative, Javier Cedeño. Please find some highlights of the visit below:

1. Most of the cacao trees are cultivated without separating varieties or species, but all mixed one with another. In the same plantation, one might find a *Nacional* tree next to a *Trinitario* tree (also called *Venezolano*), alongside the hybrid variety CCN51
2. The percentage of *Nacional* cacao cultivated in Tesoro represents 75% (including *Trinitario*) and 25% of CCN51

3. The trend of growing CCN51 has increased in the last decade due to a recommendation from the very same growers, suggesting that these cacao trees have a higher productivity rate and better resistance to diseases. However, there is a strong sentiment or desire to grow *Nacional* based on cultural and historic bonds. Their parents and grandparents cultivated *Nacional* so they like to stick to the ancestral tradition
4. They sow cacao using seeds, not plants from a nursery
5. Most of the plantations are in need of pruning. They also need to find a way to control diseases such as *Monilia*
6. Growers claim that their cacao is organic because they do not use any pesticides or fertilizers. However, the plantations have not been certified by any formal organic inspectors or institutions
7. In general, the *Nacional* cacao we found in Tesoro seems to have strong *Criollo* genetics and *Criollo* is considered as the 'Rolls Royce of cacao'. Nevertheless, if it is not well-harvested, well-fermented and dried, it loses its potential to become a first class product

Harvesting

Growers harvest cacao by putting the fresh pods in a plastic bucket and mixing healthy *Nacional* with cacao with *Monilia*. They claim that traders do not request quality, but weight only.

Fermentation

The process of fermentation consists of storing fresh cacao in plastic sacks and letting it drain for two days on a wooden floor under an awning. After this, it is dried for one or two days and is then ready to be sold on to the traders.

In this particular scenario, the process of fermentation will have been interrupted. Instead of storing the cacao in wooden boxes or *yute* sacks to ferment it for an average of four days, the cacao is merely drained and dried without being fermented properly. In fact, an excellent cacao variety will have been transformed into a poor quality cacao as the result of poor harvesting, fermentation and drying procedures and techniques. The concluding result is that the cacao will command a lower price and will not be considered as premium quality.

Observations and recommendations

1. The trend and demand from the international fine chocolate market is for fine flavour, single-origin, ethical and organic cacao. The fact that 75% of plantations in the Tesoro rainforest contain the *Nacional Criollo* variety, makes this an extremely valuable opportunity
2. Nevertheless, the harvesting and fermentation processes need to be changed. At this point, I would recommend hiring the consultancy expertise of an agricultural engineer in order to best advise on these important processes that will have a huge impact on the flavour of the finished product

3. With regards to the CCN51 variety, I advise to keep cultivation as it is, without increasing the volume of hectares. CCN51 cacao is used for a different market which will always demand this kind of cacao in order to produce more industrial chocolate
4. A high level of commitment from the community will be crucial in order to change the current process and transform the way the growers have been cultivating their cacao. It is important that they work together, head in the same direction and remain open to change if they want to sell their cacao at higher prices
5. The possibility of building a stockpiling centre where growers from Tesoro could bring their fresh cacao to be fermented and dried by qualified people is also an option. Such a centre would allow them to control the whole process from the beginning to the end
6. Application to organic certifications will be important in achieving a premium finished product
7. Another next step would be to sell the cacao directly to chocolate makers in the international market, cutting out middlemen and traders. This model is already being used by other cacao cooperatives in Ecuador (Manabi province) and other countries in Latin America
8. With an excellent final product, appropriate people advising and coordinating throughout the whole cacao chain and the right commercial contacts to introduce and sell the product abroad, it is possible that the community of Tesoro could become a success story in the fine cacao world