

Making ACP countries a better place for doing business

Towards a private sector enabling environment



Enabling Environment: Cocoa, Herbs & Spices

**Michelle Hustler, Consultant
Enabling Environments Ltd.**

This document has been produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union nor of the ACP Secretariat



Setting the Stage

Global Demand: Herbs and Spices

*Towards a private sector
enabling environment*



- The global herbs and spices market was valued at US \$12 billion in 2012.
- The EU is the 2nd largest market in the world. In 2013, total EU imports of spices and herbs was valued at € 1.8 billion.
- The herbs and spice market is expected to grow at a compound annual growth rate of 4.8% to reach an estimated value of US \$16.6 billion in 2019.



CARIFORUM Industry Leaders: Herbs and Spices

*Towards a private sector
enabling environment*



- Jamaica - pimento (allspice), Scotch bonnet pepper, ginger
- Grenada – nutmeg, mace
- Dominica – bay leaf oil
- Haiti – vetiver oil
- Pepper sauces / Caribbean sauces



Setting the Stage

Global Demand: Cocoa

*Towards a private sector
enabling environment*



- World production for the 2013/2014 season was forecast to top over 4.3 million tonnes
- The demand for cocoa has risen three times faster than population growth over the last 15 years
- The global chocolate industry is valued at an estimated US \$110 billion dollars
- Growing interest in dark chocolate



CARIFORUM Industry Leaders: Cocoa

*Towards a private sector
enabling environment*



- CARIFORUM comprises 6 of the recognized 17 fine or flavour cocoa producing countries in the world
- Increased organic and fair-trade certification
- The region is also home to the largest and most diverse collection of cocoa varieties in the world via the International Cocoa Genebank, Trinidad, enabling access to genetic diversity for a number of interesting traits including unique flavours of cocoa
- The region has won many international awards for its cocoa and chocolate
- Increased focus on cocoa quality and value-added production



Enabling Environment: European Union



*Towards a private sector
enabling environment*



- In 2013, 8 CARIFORUM countries exported cocoa / cocoa products to 13 EU countries
- Included non-traditional markets such as Estonia, Poland, Malta and Croatia
- In the past 5 years 10 of the 15 CARIFORUM countries have exported cocoa / cocoa products to the EU
- In 2013, 13 CARIFORUM countries exported herbs and spices to the EU



Export Trends

*Towards a private sector
enabling environment*



Exports of All Cocoa Products to the EU (1000kg) / Year on Year Change

	2009	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
Belize	64	14	0	39	98	13	-78.13	-100.00	39.00	151.28	-86.73
Dominica	901	313	213	261	25	5	-65.26	-31.95	22.54	-90.42	-80.00
Dominican Republic	20,234	33,703	25,080	27,501	35,677	32,035	66.57	-25.59	9.65	29.73	-10.21
Grenada	5	206	269	182	333	233	4,020.0	30.58	-32.34	82.97	-30.03
Haiti	150	2,979	898	188	847	1,088	1,886.0	-69.86	-79.06	350.53	28.45
Jamaica	480	249	51	180	261	155	-48.13	-79.52	252.94	45.00	-40.61
Saint Lucia	7	13	15	6	5	13	85.71	15.38	-60.00	-16.67	160.00
Trinidad and Tobago	447	426	312	311	382	328	-4.70	-26.76	-0.32	22.83	-14.14



Cadmium Restrictions

*Towards a private sector
enabling environment*



- Milk chocolate with fewer than 30% cocoa solids should not exceed 0.1 mg/kg wet weight
- Chocolate with between 30-50% of cocoa solids - 0.3
- Dark chocolate - 0.8
- Cocoa powder sold for drinking chocolate - 0.6



Labelling Requirements

*Towards a private sector
enabling environment*



- Smaller producers (cocoa / herbs & spices) have also noted that meeting the packaging and labelling requirements tends to be expensive and has a negative impact on entering export markets

Enabling Environment: CARIFORUM



*Towards a private sector
enabling environment*



Supply:

- Labour issues
- Maximizing on yields
- Maximizing on profits
- Raising awareness

Demand:

- Quality
- Regional standards



Let's Think About It...

*Towards a private sector
enabling environment*



- In light of a declining labour force, how can the Caribbean promote mechanization and the use of technology in order to increase productivity and attract a younger workforce?
- Is it feasible for some Governments in CARIFORUM to introduce temporary labour mobility schemes for foreign agricultural workers?
- How can farmers best be supported to increase productivity and quality?
- What innovations can the region explore to maintain its competitive advantage and to increase profits?
- What is the best way to support entrepreneurship in these sectors?





*Towards a private sector
enabling environment*



- How can investment in these sectors be supported at national and regional levels?
- What scope is there for regional strategies?
- How can strategic alliances with the EU be supported?
- How can Governments best assist?

Thank you!



Making ACP countries a better place for doing business

Towards a private sector enabling environment



Enabling Environment: Cocoa, Herbs & Spices

**Michelle Hustler, Consultant
Enabling Environments Ltd.**

This document has been produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union nor of the ACP Secretariat

