



Project location:
North Guadalcanal, Solomon Islands

Project start date:
1 January 2009

Funding source:
AusAID 47.8%, C-Corp 52.2%

Total grant funds approved:
A\$1,155,000

Updated December 2012

C-Corp – Cocoa Plantation In Solomon Islands

ABOUT C-CORP

The commodity company, C-Corp is a Solomon Islands cocoa industry operator and has been involved in cocoa plantations and redevelopment for almost 10 years.

THE PROJECT AND HOW IT WORKED

C-Corp used an ECF grant to rehabilitate and redevelop cocoa plantations on traditional land and to commence new plantations in collaboration with local landowners in Horokiki, Solomon Islands.

C-Corp adopted joint venture agreements with two landowner groups that provide dividends once the operation is profitable. The landowners invested their land and no interim lease or other payments were part of the agreement. The joint venture also includes a provision of the eventual transfer of the entire business to the landowner companies.

The improved supply of cocoa has enabled C-Corp to purchase additional wet beans from communities, increase marketing and work towards developing a recognised cocoa brand for the Solomon Islands. This provides:

- Reliable incomes for local cocoa farmers
- The Creation of permanent jobs and opportunities for casual positions, making C-Corp one of the largest employers in the Solomon Islands agricultural sector
- A good model of mutually beneficial arrangements with landowners for others to replicate
- A boost for the confidence of both, investor and financial institutions in the crucial agricultural sector and also for the previously depressed cocoa industry by generating export earnings of around \$US2 million per year

THE RESULTS

- C-Corp has successfully rehabilitated over 172 hectares of land for cocoa production. C-Corp estimates a full harvest could be up to 100-150 tonnes of cocoa/year from each side.
- Trials of hybrid new cocoa varieties are underway and the drying facilities have been completed.

- Transportation infrastructure has been improved and growing of seedlings is being contracted out to local villagers.
- Another AusAID funded project - Coconuts Livelihoods Improve Program is working with cocoa growers in rural areas of the Solomon Islands by protecting against the cocoa borer. The program uses the plantation managed by C-Corp in demonstrating appropriate pest and disease management systems.
- C-Corp contracts up to 120 field and plantation workers in permanent, contract and casual positions. Workers earn SB\$4.5–4.75 per hour (SB\$35 or A\$4.70 per day).
- C-Corp has also increased its planting area beyond Horokiki to 22 hectares of plantings in Mbalasuna. The new area employs 8–10 local villagers and has just started producing a crop in 2013.
- C-Corp has been very actively involved in community development in East and West Horokiki setting up health clinics, water supply, solar panels and a community library. In Mbalasuna C-Corp supported villagers to purchase a vehicle for sourcing wet beans from surrounding remote cocoa growers and processing them in driers provided by C-Corp.
- At times over 2012, the east side of C-Corp cocoa plantation has stopped activities because of disputes between two landowner groups stemming in part from confusion over the joint venture agreements. The joint ventures were based on international commercial standards and pay dividends, based on the companies' accumulated profits. This differs from expectation of landowners for ongoing payments particularly as their land is in use. The tense relationships and a serious cocoa bean theft problem means C-Corp are struggling to secure the volumes of cocoa beans it requires.

HOW ECF FUNDS WERE USED

ECF funding was used for the processing unit to ferment and dry cocoa beans boosting production to 5 tonnes per day. Funding also supported additional plantation infrastructure and vehicle access. C-Corp is funding 52% of the plant and construction cost.