The Impact of Smallholder Cocoa Production on Rural Livelihoods:
A case study in the Solomon Islands

A thesis presented in partial fulfilment of the requirements for the degree of
Master of AgriScience
at Massey University,
Palmerston North, New Zealand

Dorcas Oroi Hivu
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Abstract

Through its working policy, the Solomon Islands government aimed to increase smallholder production of cash crop products, such as cocoa, through which the country not only earned revenue but farmers also earned income. As such, smallholder farmers in the Solomon Islands have been encouraged to venture into cash crop earning activities. In the last decades, donor agencies have been involved a lot with farmers to increase cash crop production. However, rural households depend largely on subsistence activities for their livelihood. Based on the understanding that a lot of assistance has been given to smallholder farmers throughout the country, both by the government and outside aid agencies, this study seeks to investigate the impact of smallholder cash crop production on rural livelihoods. A qualitative case study approach was utilised in this study. Data was collected through semi-structured interviews with farmers. This study used the Sustainable Livelihood Framework as a guide to investigate the livelihoods at household level.

The results show that household’s involvement in cash crop production is facilitated by the church with very limited support from the central government. This study provides an empirical example of how a community integrates cash cropping as part of their livelihood through their own initiatives. Factors which enable households to integrate cash crops as a part of their livelihood include: motivation to participate due to community commitment to the church; access to a trusted market; nature of the crop; and labour availability. Cash cropping, as shown in this study, does not undermine or substitute food production since there is abundant land available.

Results also show that cash cropping has significantly improved household income and consequently increase household standard of living. This research found that the benefits of cash cropping are distributed across all households within the community as all households grow crops. Households benefit directly from cash cropping through access to cash. Access to cash opens up opportunities for households and/or individuals to venture into other livelihood activities within the community.

This study also found that cash cropping has some negative implications. Access to cash through cash cropping results in a change in cultural expectations towards cash; a change in children’s attitude towards education; decreased participation in communal work; and
contributes to reduction in the cultivation of traditional crops with cultural importance to the community.

This research suggests that institutions through which rural households have access to and/or benefit from cash cropping should be supported by the government.
I wish to sincerely acknowledge several groups of people and individuals who have contributed with their help, guidance, encouragement, understanding, patience and support to the completion of this thesis.

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# Table of Contents

Abstract ....................................................................................................................................... i
Acknowledgements .................................................................................................................. iii
Table of Contents ...................................................................................................................... iv
List of Figures ........................................................................................................................ viii
List of Abbreviations ................................................................................................................ ix
Chapter 1 Introduction ............................................................................................................... 1
  1.1 Research background ....................................................................................................... 1
  1.2 Research aims, objectives and questions .......................................................................... 3
  1.3 Thesis structure ................................................................................................................ 4
Chapter 2 The overview of the Solomon Islands and its agriculture sector ....................... 5
  2.1 Introduction ...................................................................................................................... 5
  2.2 The Solomon Islands in general ....................................................................................... 5
      Geographical location ......................................................................................................... 5
      Population ........................................................................................................................... 6
      Government ........................................................................................................................ 7
      Climate ................................................................................................................................ 7
      Vegetation ........................................................................................................................... 8
      Land use system .................................................................................................................. 8
      The Solomon Islands’ economy ........................................................................................ 9
  2.3 The Solomon Islands’ agricultural sector ....................................................................... 10
  2.4 Cocoa in the agriculture sector ....................................................................................... 12
      Botanical description and environmental requirements of cocoa ..................................... 12
      A brief history of cocoa in the Solomon Islands .............................................................. 13
      Cocoa production in the Solomon Islands ........................................................................ 14
      Role of CEMA in cocoa .................................................................................................... 16
      Solomon Islands cocoa in global cocoa production ......................................................... 17
      The agriculture policy of cocoa ........................................................................................ 18
      The Cocoa Livelihoods Improvement Program (CLIP) ................................................... 19
  2.5 Chapter summary ........................................................................................................... 19
Chapter 3 Literature review .................................................................................................... 21
  3.1 Introduction ....................................................................................................................... 21
### List of Figures

Figure 1: Map of the Solomon Islands ................................................................. 6
Figure 2: Cocoa trees and banana plants uprooted and swept aside by flash flood in Makira Province ................................................................. 8
Figure 3: Market channels .................................................................................. 16
Figure 4: Map of Makira/Ulawa ......................................................................... 45
Figure 5: Map of Makira Island showing the wards and road network .................. 48
Figure 6: The village stream - the village's main source of water ....................... 51
Figure 7: Types of sleeping houses used in the village. A - a sleeping house on stilts; B - a sleeping house not raised, both A and B were built with material collected from the forest; C & D – semi-permanent sleeping houses .......... 52
Figure 8: Photo showing examples of kitchen huts .............................................. 52
Figure 9: Existing church, front and side view .................................................... 54
Figure 10: New church building under construction .......................................... 55
Figure 11: Newly prepared soil for planting kumara. Beyond the new plot is an old garden left fallow.
Figure 12: Farmer with items gathered during a visit to his food garden; a bunch of bananas and two bundles of poles to repair his house ....................... 60
Figure 13: A farmer assisting in weighing wet beans at the VCD ......................... 64
Figure 14: Cocoa intercropped with banana ....................................................... 68
Figure 15: Food items on display during the village's market day ....................... 78
Figure 16: Other items sold for income in the village (betelnut & areaca fruits on the left and saho on the right) ....................................................... 79
Figure 17: A boy (on the left) selling cocoa beans harvested from their family plot .... 87
**List of Abbreviations**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>ARDS</td>
<td>Agriculture and Rural Development Strategy</td>
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<tr>
<td>AusAid</td>
<td>Australian Agency for International Development</td>
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<tr>
<td>CBSI</td>
<td>Central Bank of Solomon Islands</td>
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<tr>
<td>CEMA</td>
<td>Commodities Export Marketing Authority</td>
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<tr>
<td>CLIP</td>
<td>Cocoa Livelihood Improvement Project</td>
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<tr>
<td>COM</td>
<td>Church of Melanesia</td>
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<tr>
<td>DAL</td>
<td>Department of Agriculture and Lands</td>
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<tr>
<td>MAL</td>
<td>Ministry of Agriculture and Livestock</td>
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<tr>
<td>NGO</td>
<td>Non Government Organisation</td>
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<tr>
<td>RHC</td>
<td>Rural Health Centre</td>
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<tr>
<td>SBD</td>
<td>Solomon Islands Currency</td>
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<tr>
<td>SIG</td>
<td>Solomon Islands Government</td>
</tr>
<tr>
<td>VCD</td>
<td>Village Cocoa Drier</td>
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