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**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

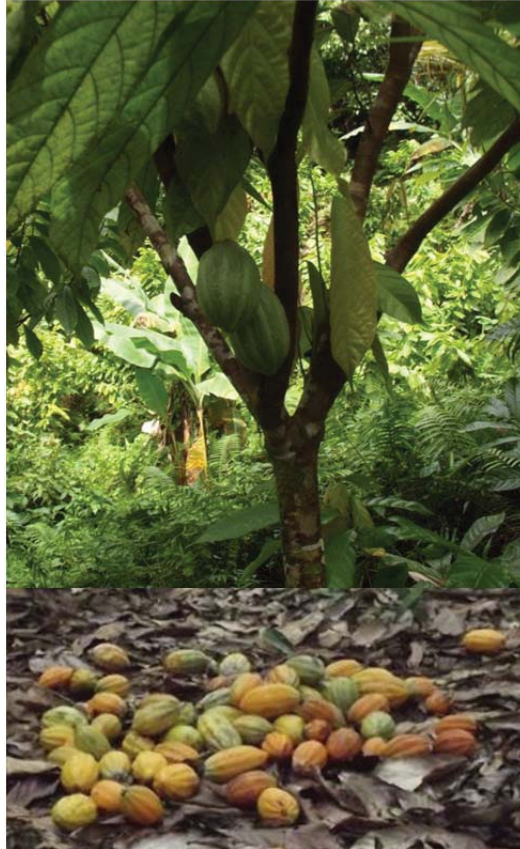


**Dorcas Oroi Hivu**

**2013**



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## Abstract

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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.

## Acknowledgements

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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.

First and foremost, my sincere thanks to my supervisors, Ms Janet Reid and Dr. David Gray for guiding me through this difficult journey. Your comments, suggestions, advice and guidance have assisted me from the start to the final submission. Special thanks to Ms Janet Reid for choosing to supervise me and for her continuous support and understanding.

I acknowledge the contribution of the Institute of Natural Resources (Massey University) for funding a component of my research costs. I also extend my appreciation to Denise Stuart for her assistance especially with printing and photocopying services. I would also like to thank Sylvia Hooker and her team and also the Pasifika team at the 'Fale' for their immense support during my course of study at Massey.

I am grateful to the Solomon Islands government for allowing me to undertake this study and to the New Zealand government, through NZAID, for sponsoring my study. Without your sponsorship, I would not be able to elevate myself to this level within the academic arena.

A heartfelt thank you goes to the leaders of Maranu'u village in the Makira Province, Solomon Islands, for allowing me to conduct research in their village. I also sincerely thank those research participants who agreed to be interviewed. Without you, this research would not have been possible.

I would also like to thank all the 'Wantoks' in Palmerston North who have rendered support in one way or another in making Palmy a home away from home; Gloria, Elizabeth, Nina and their families for their support and encouragement; Kerryn and Pauline for 'just being there'. I also extend my sincere thanks to Nanise and her girls for being part of my family in Palmy. Tagio tumas!

Lastly, I am very grateful to my family for all their support expressed in numerous ways. Their prayers have been a source of strength. I sincerely thank my husband Manja for continuous support and encouragement from a distance from the beginning until the end.



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## List of Abbreviations

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|        |   |
|--------|---|
| ADB    | Asian Development Bank                          |
| ARDS   | Agriculture and Rural Development Strategy      |
| AusAid | Australian Agency for International Development |
| CBSI   | Central Bank of Solomon Islands                 |
| CEMA   | Commodities Export Marketing Authority          |
| CLIP   | Cocoa Livelihood Improvement Project            |
| COM    | Church of Melanesia                             |
| DAL    | Department of Agriculture and Lands             |
| MAL    | Ministry of Agriculture and Livestock           |
| NGO    | Non Government Organisation                     |
| RHC    | Rural Health Centre                             |
| SBD    | Solomon Islands Currency                        |
| SIG    | Solomon Islands Government                      |
| VCD    | Village Cocoa Drier                             |