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MINISTERE DU COMMERCE

MINISTRY OF COMMERCE

CIRCULAR LETTER No. _____/MINCOMMERCE/CAB OF
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TO ORGANISE THE 2019/2020 COCOA SEASON

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TO The
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The
The

GOVERNORS
SENIOR DIVISIONAL OFFICERS
SUB DIVISIONAL OFFICERS
DIRECTOR GENERAL OF NCCB
PRESIDENT OF THE SECTOR (CICC)

} OF COCOA GROWING AREAS

After a gloomy period, which began in the 2016/2017 season, marked by an unexpected and sudden drop in prices, the international cocoa market seems to have begun, in recent months, a promising new cycle, characterized, among other factors, by a renewal of grinding activity, particularly in Asia and Africa, and a slower growth in world supply, combined with stronger demand. These signs of upturn have led to a national recovery in farm gate prices, which stand at a weighted average of CFAF 960/kg for the 2018/2019 season,

compared with 750 CFAF/kg in 2016/2017 for standard quality cocoa. And everything seems to indicate that the upward movement thus initiated will continue and be consolidated. And it is also under these promising auspices that the 2019/2020 season opens.

The prospects for the national cocoa sector are all the more interesting as the appropriation, by producers, of the campaign to promote a cocoa of excellence is now a reality lived and shared, as evidenced by the multiplication and dissemination of Post-harvest Processing Centres of Excellence throughout the various growing areas. Last but not least, another element of the sector's renewed dynamism is, undoubtedly, the emergence of a galvanizing domestic market, driven by a significant increase in installed capacity in terms of local processing, which brings us closer to the objective of 40% of local value added for our beans

These are all encouraging signs, which make the 2019/2020 season be known as the "**New-deal season**", which should lay the foundations for a solid and definitive recovery of the cocoa sector in Cameroon, for the greater good of the entire national economy and, of course, of all the links in the value chain, in particular producers.

This Circular Letter, beyond its ritual character, can be analysed in this resolutely optimistic perspective.

I- LEGISLATIVE AND REGULATORY FRAMEWORK

1 - GENERAL PROVISIONS

Domestic cocoa marketing operations for the 2019/2020 season shall run from 1 August 2019 to 15 July 2020 in all cocoa growing areas, in accordance with the following legal instruments:

- Law No.2004/025 of 30 December 2004, to amend and supplement certain provisions of Law No.95 / 11 of 27 July 1995 to organise cocoa and coffee trade ;
- Decree No.2005/1212/PM of 27 April 2005 to regulate the packaging and marketing of cocoa beans ;
- Order No.0289/MINCOMMERCE/CAB of 8 August 2019 to lay down the conditions and detailed arrangements for the marketing of cocoa beans.

2 - DOMESTIC COCOA MARKETING

2.1. Only private individuals or body corporates or their representatives fulfilling legal requirements as buyers shall be entitled to take part in cocoa marketing. Each representative may represent only one exporter or buyer

2.2. Cocoa shall be freely bought and sold on the domestic market by producers or their farming organisations and buyers in all cocoa growing areas, either as part of periodic markets initiated by producers, in collaboration with administrative authorities, NCCB and CCIC, or through agreements signed between producer organisations and buyers/exporters.

2.3- Schedules, containing the chosen dates and sites , drawn up for the whole season by farmers and farmer organisations, in collaboration with NCCB and CCIC , shall be approved by the competent administrative authorities who, together with the officials of the devolved services of the Ministry of Trade, shall also ensure the monitoring of the said schedules.

2.4- Producer organizations and producers under contract with buyers/exporters must submit a copy of the said agreements to the Joint Cocoa and Coffee Board (CCIC) which shall inform the competent administrative authority, while providing him/her with the produce collection schedule. These agreements must be widely publicised by the CCIC.

2.5- At the same time, periodic market schedules and existing agreements shall be widely publicised by the CICC among buyers.

2.6- The public officers in charge of controlling cocoa marketing must ensure that all cocoa batches being transported after purchase are entered in a manifest duly signed by the sender of produce and indicating all the information provided for by Article 20 of the above-mentioned Order.

3 - EXTERNAL COCOA MARKETING

3.1-The National Cocoa and Coffee Board (NCCB) shall ensure the quality of exported cocoa. To this end, it shall:

- systematically supervise the loading of all batches of cocoa into containers and ships;
- register verification applications submitted to it by exporters, allocate the batches to be verified to the approved quality control firms, and certify the verification notes issued by these firms.
- systematically carry out the chemical and organoleptic analyses of any cocoa batch prior to export.

3.2 No export declaration may be received by the Customs Department if it is not accompanied by a valid verification note, issued by a quality control body approved and certified by the NCCB, and a certificate showing the payment of export tax issued by the NCCB.

4 - QUALITY OF COCOA PUT UP FOR SALE

Cocoa put up for sale must meet the following requirements:

- it must be fermented and must have been dried on a drying stage or concrete area, made up for that purpose, a tarpaulin or a suitable oven;
- it must be clean and free from extraneous matter, notably vegetable and animal particles, mineral dust and man-made particles;

- it must be free from musty odour, smell of smoke or pesticides or any other or any off-odour;
- it must have an Ochratoxin (OTA) and Polycyclic Aromatic Hydrocarbons (PAHs) content in accordance with international tolerances;
- the moisture content must be lower than or equal to 8% during buying operations or storage in a purchaser or exporter store To this end, the NCCB shall be responsible for conducting systematic checks of cocoa batches entering or stored in export stores or belonging to buyers.

5- PRICE

5.1 . Information on price trends on the cocoa market should be regularly and systematically available to operators in the sector, in particular through better spatial coverage of the Market Information System managed by the NCCB.

5.2 The reference price published by the NCCB shall be the sole basis for negotiating the price paid to the farmer. In this respect, exporters and buyers shall be required to be more transparent as regards prices, by making available to the NCCB all the FOB weighing elements necessary for the determination of the reference price published by the NCCB. The said elements shall be reviewed on a regular basis by a Price Committee established by the Minister of Trade.

5.3 In niche markets, prices negotiated between producers and buyers are not based on the reference prices published by the NCCB.

6- ROLE OF ADMINISTRATIVE AUTHORITIES

6.1- As part of their permanent economic promotion mission, and given the issues related to the competitiveness of our cocoa economy, administrative authorities, more than ever, have a special responsibility regarding the strict compliance with post-harvest processing schemes and market schedules and agreements between buyers and producers, and the implementation of the cocoa marketing regulation in force.

In this respect, they shall be in charge of, inter alia:

- validating the market list and schedules proposed by producers ;
- ensuring, in conjunction with the relevant officials of the Ministry of Trade, the NCCB and the CCIC, the legality of all cocoa marketing transactions, in particular regarding the status of buyers and the quality of buyers and produce, as well as the price and transport conditions.
- ensuring the effective establishment of joint mobile cocoa marketing control brigades, which operate under their coordination.

6.2- For the purpose of keeping the economic statistics of the Nation, Administrative authorities and Officials of the devolved Services of the Ministry of Trade must ask

buyers carrying out activities in their jurisdictions to produce, after the first Monday of each month, the document on the previous month's purchases of cocoa beans.

7- OBLIGATIONS OF PRODUCER ORGANISATIONS

7.1-1- Producer groups or producers affiliated with a cooperative must submit proposals for market schedules and sites to the competent administrative authority. They shall be required to respect these sites and schedules. The same shall apply to markets under contract.

7.2-2- With the support of Joint Cocoa and Coffee Board (CCIC) and as part of liberalization, producers shall organise the release of cocoa on the market in accordance with current regulations, ensuring in particular good practices in the areas of phytosanitary treatment, fermentation and drying of beans, as well as fair competition in marketing operations and keeping statistics.

8- ROLE OF NCCB AND CICC

In order to restore Cameroon label, the NCCB and CCIC shall be required to work in permanent and effective synergy in the field of marketing operations.

With this in mind, the NCCB and the Project to Improve Internal Marketing of Cocoa and Coffee (PA3C), as well as CCIC, each in its area of expertise, must continue deploying their equipped and duly trained

auditors in growing areas, in particular at the entrance to purchaser and exporter stores.

These various actions must result, *inter alia*, in improving the traceability of marketing operations with the aim of keeping an inventory of cocoa sales by grade, and must be carried out in a complementary manner between the NCCB, CCIC and PA3C to ensure efficiency and consistency.

In the same vein, disseminating statistical information on transactions, which remains a matter of concern, shall require the active and spontaneous collaboration of all CCIC stakeholders and involve all relevant Administrations.

II - FINAL INSTRUCTIONS

Ultimately, referring to the Head of State's Economic Policy Directions, my instructions for the 2019/2020 season have as anchor points the following main lines of action:

- the fair remuneration for producers, who, for their part, are invited to get organised, turn professional and release on the market only quality, well-fermented and properly dried cocoa;
- the intensification of the fight against dubious and illegal marketing of cocoa, under the coordination of the Administrative Authorities, in liaison with the competent officers of the Ministry of Trade, the NCCB and CICC, through joint mobile supervisory

brigades of the internal marketing of cocoa and the effective enforcement of the sanctions imposed, in order to deter the perpetrators of these serious malfunctions;

- a merciless fight against fraudulent exports of Cameroonian cocoa to neighbouring countries;
- the enhancement, through the CICC and NCCB, of the promotion of the consumption of local cocoa-derived products;
- the continuation and enhancement of all CCIC-run Programmes and Projects, in particular "Post-Harvest Processing Centres of Excellence", "Rationalisation of the Monitoring of Domestic Cocoa Marketing", by, inter alia, producing and promoting the new 'Cocoa Grower's Booklet' and the "**New Generation Project**", for the rejuvenation of the production force;
- the promotion of Cameroon's cocoa of excellence in niche markets;
- the facilitation of export operations in Cameroon's ports and airports;
- the collaboration between the NCCB and all organizations involved in the export chain, with a view to producing reliable marketing statistics.

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- Administrative authorities of cocoa growing areas
- Regional or Divisional MINCOMMERCE Delegates