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| **Abstract / Content summary** | How much of the price paid for cocoa exported from Papua New Guinea (PNG) is captured by the grower? And how does this compare with international norms? This paper uses data collected from official sources to answer both of these questions. We place cocoa produced in PNG within the global cocoa supply chain to analyse the distribution of economic rents across economic agents, national borders, and processes. Our analysis extends beyond corporate and industry reporting to measure economic value generation and capture through the Global Value Chain (GVC) for cocoa produced by the smallholders in the East New Britain Province (ENB) of PNG. Our analysis shows that the grower received approximately 84 percent of the free-on-board (FOB) price for export-quality cocoa when this is delivered in store to the exporter. This outcome compares favourably with comparator nations such as Ghana where the equivalent proportion was 83 percent. Whilst no stakeholder in the PNG cocoa value chain is earning excessive profits, smallholders who produce the cocoa remain unable to substantially increase personal and household wealth. Hence, we argue for improved quality control in processing wet beans, better branding of PNG cocoa and consideration of opportunities to develop roasting and grinding operations within PNG to allow the smallholder growers to capture additional rents from the GVC. |
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