

Cocoa Farming – An update

March 2005

Companies which make chocolate, or which use it in their products, are committed to ensuring that the cocoa they use to make chocolate is grown in a responsible way. This briefing paper sets out the steps being taken by the global chocolate and cocoa sectors to ensure cocoa is responsibly sourced.

Since 2001, the industry has been working in a co-ordinated way with a broad group of stakeholders including governments, NGOs and the International Labour Organisation (ILO) to promote responsible labour practices on cocoa farms in West Africa. Our industry is determined to ensure that cocoa is grown responsibly. More details follow concerning the work being undertaken by our industry with other stakeholders, both to eliminate abusive child labour and also to work with cocoa farmers to improve their standard of living.



It would be wrong to pretend that this is an easy or straightforward task. On the back page of this paper there is some background information on the supply chain for cocoa in West Africa giving some idea of the magnitude of the task and the complexity of the supply chain. However, we are determined to put in place a process that will ensure cocoa is produced in a responsible manner. The vast majority of West African cocoa growers are smallholders who work hard to grow cocoa and other crops on small family farms and who behave responsibly.

Elsewhere in this paper we describe some of the ways in which we are seeking to help cocoa growers which can lead to a sustainable improvement in conditions for West African cocoa farming families and particularly their children.

I hope you find this paper informative. If you would like any further information, please do not hesitate to contact CAOBISCO, on +32 2 539.18.00.

David Zimmer
Secretary General
CAOBISCO



Setting The Standards For Growing Cocoa Beans

The global industry's initiative to ensure that children are not harmed in cocoa farming is moving ahead, with a large-scale test of a programme to monitor labour practices on cocoa farms in West Africa.

Developed under the direction of the International Labour Organization (ILO) and with the active engagement of the governments of the Cote d'Ivoire and Ghana, this labour monitoring programme is collecting information on smallholders' labour practices, as well as on the impact of programmes to improve the lives of children on cocoa farms.

This work is underway in five districts of Ghana and is about to begin in the Oumé region of Cote d'Ivoire – an area that produces more than 45,000 tonnes of cocoa annually. It will reach approximately 650 farming communities, including an estimated 82,000 children under the age of 18, in this area alone.



While the civil unrest since 2002 in the Cote d'Ivoire has delayed some activities, work on a pilot scale to develop the monitoring system has been ongoing and a pilot test should begin in the coming weeks.

In Cote d'Ivoire and Ghana, community groups and local NGOs will participate in and contribute to the monitoring programme.

This is the latest development in a partnership between the chocolate and cocoa industry, the ILO, organised labour, NGOs and West African governments to promote responsible labour practices on cocoa farms in West Africa. In 2001 the global industry signed a "Protocol" to ensure that cocoa is grown responsibly, without abusive child or forced labour.

As part of this, the industry is committed to the development of "certification" standards that will both drive and track progress in promoting responsible labour practices, and improve the lives of children and their families on cocoa farms in West Africa.

A farm community monitoring programme is a key part of the overall certification initiative. It will yield important data on improvements on the ground, while identifying areas of concern where future efforts will be focused. Under this programme, results from the monitoring will be reviewed by an independent "verification" third party, not associated with the industry or West African governments.

Following the independent third-party review of the data, the appropriate West African government will issue a "certificate" for its cocoa farming sector.

With many millions of cocoa beans coming together at literally hundreds of consolidation points along the supply chain, "certifying" each bean is certainly not feasible. This "certificate" will, however, be a statement of fact, providing a credible view of efforts to ensure cocoa is grown responsibly. It will be made publicly available, along with the "verification" review of the independent third party.

The task of developing a cocoa certification system is unprecedented: no labour monitoring programme has ever sought to measure labour practices across a region as vast and remote as the West African cocoa farming community.

A Sustainable Improvement in Conditions

The chocolate and cocoa industry is focused on improving the lives of children by improving the wellbeing of cocoa farming communities. It starts with looking at the financial health of the community – family incomes, diversity of income sources, economic opportunities. But the wellbeing of a farming village is also determined by other factors, for example access to education is closely related to financial and economic health.



An independent study of West African cocoa farming published in 2002 underscored the importance of a holistic approach to working with farming communities. The study of several thousand farms, conducted by the International Institute for Tropical Agriculture (IITA) and the International Labour Organisation (ILO), identified several potential problems that could contribute to abusive labour practices:

- Lack of access to education
- Unsafe working conditions
- Farmers' incomes

The results of the survey and advice from other experts such as the ILO and NGOs led the chocolate industry to pursue a dual strategy – one that focuses both on direct action to help “at risk” children, while addressing community issues that may give rise to abusive labour practices.

Building upon efforts already underway, the industry joined with a variety of other stakeholders to launch programmes tackling many of these farm community issues. These programmes are now becoming established in West Africa – and are making a real difference to cocoa farming communities.

- The “Farmer Field Schools” put more money into the family home by educating farmers on better farming techniques and promoting crop diversification. Working through the Sustainable Tree Crops Programme (www.treecrops.org), the 18-session course also addresses responsible farming issues, such as safe pesticide use and the role of children on the family farm. Participation is high, with entire villages turning out in some areas for the interactive sessions. In some areas, there is a waiting list of farmers eager to attend the classes.
- The majority of cocoa farmers in West Africa are not organised into groups or co-operatives – often placing them at a disadvantage in terms of selling their crop and not giving them access to ways to improve their farming skills. The Sustainable Tree Crops Programme is also supporting the development of co-operatives in the Cote d’Ivoire, Cameroon and Ghana – to help farm families grow and market their crops more effectively.

To date, results have been positive. Nearly 15,000 farmers – and more than 50,000 children of those farmers – have benefited from the industry programme. Whilst those participating in the cooperative development programme are seeing clear income gains, in some cases of more than 10%.

- Another programme focuses on education. The “CLASSE” (Child Labor Alternatives through Sustainable Systems of Education) Project seeks to improve access to education at the farm village level. The initiative, run by Winrock International, pursues the gamut of possible solutions – from teacher training and curriculum improvements to building and expanding school facilities.

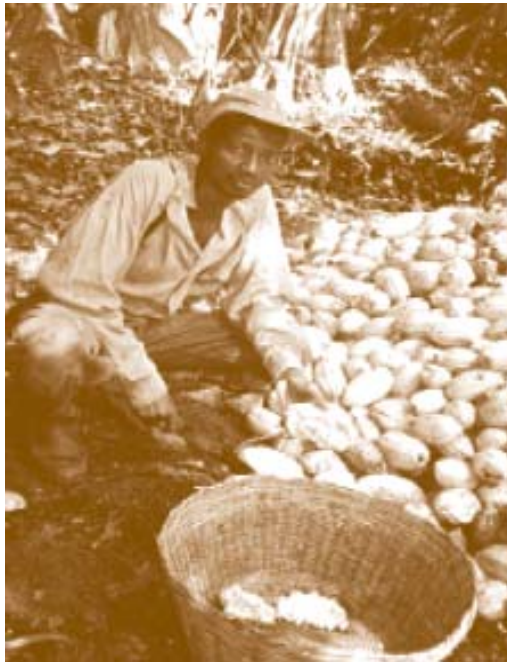
These programmes share a common approach: to make improvements that are systemic, widespread and above all else permanent. Improving the lives of children requires taking a long-term view, one that tackles the underlying – and often longstanding – challenges that affect cocoa farm communities.



The Cocoa Supply Chain

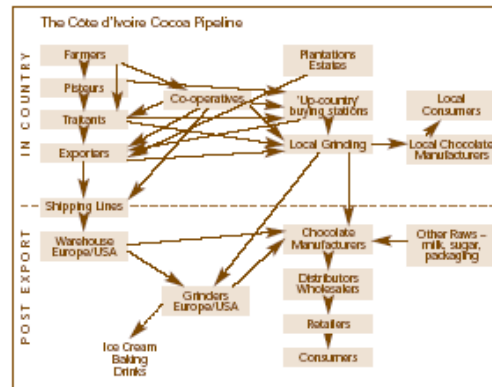
Much of the world's cocoa – around 70% – comes from West Africa. Cocoa trees grow best in warm, wet climates, usually found near the Equator.

Most cocoa in West Africa is grown on small family farms in Cote d'Ivoire and Ghana. Farms are typically 2 to 3 hectares and produce around a tonne of beans per year. A smallholding of cocoa plants will be surrounded by other tropical trees, offering necessary shade.



Cocoa growing is well suited to smallholder cultivation: the needs of the crop do not respond well to large scale monocrop cultivation as the necessary economies of scale have proved hard to achieve.

In Ghana, the government regulates the market and the farmgate price paid to farmers, through local buying stations, is fixed. In Cote d'Ivoire the process is more complex – see diagram.



Although some finished products are consumed locally, most cocoa production is exported. Of the annual worldwide crop of around three million tonnes, about 215,000 tonnes are imported into the UK.

The chocolate and cocoa industry is committed, with the help of our partners, to working to improve the lives of farmers and their families who rely on cocoa for their livelihood.



CAOBISCO is the Association of chocolate, biscuit and confectionery industries of the European Union. Through its 1900 companies, CAOBISCO represents 270,000 direct employees and generates more than 44 billion Euros annual turnover. CAOBISCO industries show a production of 10,8 million tons of products; € 3.4 billion Euros of exports, i.e. 10% of the total value of food exports from the European Union; and an import value of € 1 billion.

1, rue Defacqz – 1000 Brussels (Belgium)
Tel: +32 2 539.18.00
Fax: +32 2 539.15.75
E-mail: caobisco@caobisco.be
www.caobisco.com