



8320 Old Courthouse Road • Suite 300 • Vienna, Virginia 22182 • Telephone: 703-790-5012 • FAX: 703-790-0168
Bill.Guyton@worldcocoa.org Robert.Peck@worldcocoa.org

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Contact:

Susan Smith
(703) 790-5012
Susan.smith@worldcocoa.org

Improved Incomes, Labor Practices and Access to Education Strengthen Cocoa Farming Communities

Industry Support of Sustainable, Responsible Cocoa Farming Making a Difference

Highlights:

- Farmer Field Schools, co-ops raise farmer incomes significantly
- Teacher training, school improvement programs providing thousands of West African children with better education
- International Cocoa Initiative empowers communities to address labor issues

WASHINGTON, DC (October 4, 2006) – Programs supported by the world’s cocoa and chocolate industry are raising farm family incomes, boosting access to quality, relevant education and improving labor practices in cocoa communities.

“Each day, cocoa farmers face many challenges,” said Bill Guyton, president, World Cocoa Foundation. “While there is much work to be done, programs to help these farmers, their families and their communities are making a difference.”

The progress comes as the industry launches a new, multi-year “Healthy Communities” program in West Africa. “Healthy Communities” will benefit up to 150,000 farm families over the next five years by supporting economic, social and environmentally sustainable development at the farm level.

“Healthy Communities” will be one of the largest public-private partnerships focused on sustainability in West Africa and is funded by chocolate and cocoa industry members as well as by the U.S. Agency for International Development (USAID) as part of its Sustainable Tree Crops Program (STCP).

“Healthy Communities” and other innovative, industry supported programs are designed to foster a stronger partnership between the cocoa and chocolate industry and the millions worldwide who depend upon cocoa farming for their livelihood. Industry support for cocoa farming families and the communities in which they live focuses on four key areas:

- Improving the economic return from cocoa for smallholder farmers growing this important crop;
- Strengthening the farming community by addressing such issues as improving access to standard and vocational education, and raising awareness regarding HIV/AIDS;
- Ensuring that cocoa is grown responsibly, adhering to internationally accepted labor standards; and,
- Supporting efforts to protect and enhance the environment in which cocoa farmers grow their crops.

Established in 2000, the World Cocoa Foundation (WCF) plays a leading role in strengthening the partnership between industry and cocoa farmers. With nearly 60 member companies, the WCF supports a range of economic, social and environmental programs in cocoa communities in Africa, Asia, Central America and South America:

- The “Farmer Field Schools” program provides farmers with hands-on training to help them improve the productivity of their cocoa farms, while educating them on safe, responsible labor practices. To date, more than 200,000 farmers have participated in Farmer Field School programs in Asia, West Africa and Latin America. Partners include USDA, USAID, ACDI/VOCA and others. In West Africa, farmers participating in this program and who also engage in group selling efforts have seen income gains from cocoa ranging from 20 to 55 percent. Studies of Farmer Field School participants in the region also have shown a significant reduction in children’s exposure to hazardous farming tasks.
- In Ghana and the Ivory Coast, the International Foundation for Education & Self-Help (IFESH) launched a program to address an important issue – the quality of education in cocoa farming villages. Funded by a grant from The Hershey Company, the program has trained more than 2,000 teachers – which will improve the quality and availability of teaching for 40,000 primary and secondary students.
- Another industry-supported initiative, the Child Labor Alternatives through Sustainable Systems in Education (CLASSE) program, is providing children of cocoa farming families with education that encourages school attendance. Managed by Winrock International with funding from Mars, Incorporated and the Norwegian Association of Chocolate Manufacturers, the program has helped more than 1,350 children this year.
- To help West African women cocoa farmers – an important but under-served group – a new education program is using video to provide training on planting, crop management and negotiating the best price for harvested cocoa. Funded by Nestlé and the Chocolate Manufacturers Association, the program creates videos on specific cocoa farming issues of interest to women, and then organizes viewing/education clubs at the community level. In Ghana, 100 women have participated in the clubs, with another 100 women expected to participate in Cote d’Ivoire.

- In Latin America, an industry-supported program, the Andean Countries Cocoa Export Support Opportunity (ACCESSO) is helping farmers improve the quality and economic return of their cocoa crop through sustainable, environmentally sound techniques. The program has benefited 1,250 cocoa farmers in Peru who have been trained in crop management and better post harvest practices.
- In Ecuador, a program sponsored by the Blommer Chocolate Company is providing cocoa farmers with solar powered dryers, to process their cocoa crop. These dryers provide farmers with an easier, more reliable way to dry their beans, using a readily available, renewable energy source (the sun).

These and other programs are detailed in the attached progress report.

International Cocoa Initiative Tackles Labor Issues

The International Cocoa Initiative (ICI), established in 2002, is the leading industry supported vehicle for efforts to promote responsible labor practices on cocoa farms. The ICI's efforts are led by a board composed equally of industry and non-industry representatives.

In 2006, the ICI has been working at the village level in two countries in the West African cocoa sector. Efforts have focused on engaging local leaders in the development and implementation of effective community action plans to address instances of the worst forms of child labor and adult forced labor. This community effort is linked to effective national action.

In Ghana, for example, the ICI has a pilot program in 24 communities. In these villages, the key change is a better-informed community actively addressing hazardous and other forms of child labour. In concrete terms, labour practices are changed, schools are being renewed and teachers recruited – providing children with better access to a quality education. A similar effort is underway in pilot communities in the Ivory Coast.

In this pilot alone and through community action, more than 1,500 additional children have been enrolled in schools, 116 drop outs returned and 51 new teachers appointed. Local funds are being matched by ICI micro-grants to support improved schools and classroom facilities in multiple communities where ICI partners are active.

“Certification” Moves Ahead

The cocoa and chocolate industry also is working with international experts and the governments of Ghana and the Ivory Coast to implement a “certification” system that will evaluate labor practices at the cocoa farm level in West Africa and drive remediation efforts where they are needed.

Certification was established as part of the “Protocol” agreement established with the leadership of U.S. Senator Tom Harkin (D-IA) and Representative Eliot Engel (D-NY). It is a transparent and credible process that reports, on a country-by-country basis, on the

incidence of the worst forms of child labor and adult forced labor in the cocoa sector, and on progress in reducing their incidence.

Industry representatives are working closely with leaders in Ghana and the Ivory Coast, international social development institutions and local experts to design and roll out the cocoa certification system, with a goal of covering 50 percent of the cocoa sector in Ghana and the Ivory Coast by mid-2008.

As implemented, Certification will provide:

- Statistically representative family, farm and community-based data collection on the incidence of the worst forms of child labor and forced adult labor in a country's cocoa growing sector
- Publicly available annual reporting on the findings of this data collection
- Publicly available reporting on the impact of remediation efforts
- Independent verification of the data collection, reporting and remediation efforts

While certification will not include individual reporting on each of the estimated two million smallholder farms growing cocoa or on individual bags of cocoa beans, it will use credible, statistically based data collection and reporting to focus a range of remediation efforts where they will help children at risk.

In Ghana, the government has launched a National Cocoa Child Labor Elimination Program, which calls for, among other activities, the implementation of a credible certification process in the country's cocoa sector. The rollout of an effective, scaleable approach to survey labor practices is scheduled during the cocoa crop harvest this fall – and will collect information from hundreds of farms.

In the Ivory Coast, the Ministries of Manpower and Agriculture and the Prime Minister's office, working with industry, are building on earlier Child Labor Task Force efforts to design and implement a certification program in the country's cocoa sector.

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Sustainable, Responsible Cocoa Farming: Progress Report

Program, Overview	Partners and Locations	Results
<p>Farmer training to improve incomes</p> <p>Farmer Field Schools provide cocoa farmers with training on crop protection and improved crop yields, responsible labor practices, while promoting mixed farming with other tree crops</p> <ul style="list-style-type: none"> • West Africa: Sustainable Tree Crops Program (STCP) • Southeast Asia: SUCCESS Alliance ▪ Latin America: ACCESO Program 	<ul style="list-style-type: none"> ▪ United States Agency for International Development (USAID) ▪ United State Department of Agriculture (USDA) ▪ World Cocoa Foundation ▪ International Institute of Tropical Agriculture (IITA) ▪ Canadian Development Agency (CIDA) ▪ ACIDI/VOCA ▪ Inter-American Institute for Cooperation on Agriculture (IICA) ▪ Organization of American States (OAS) <p>Active in Africa, Asia, Latin America</p>	<p>200,000 farmers trained in Africa, Asia, Latin America</p> <p>Income/ productivity gains of 20 to 55% for West African farmers through combined activities</p> <p>Significant reduction in exposure of children to hazardous tasks</p> <p>Launched schools in Latin America; video viewing club schools for women cocoa farmers in West Africa</p>
<p>Helping farmers earn more for their crop</p> <p>Organize farmers for “group selling” efforts</p> <p>WCF Member companies form direct buying arrangements with farmer groups</p>	<ul style="list-style-type: none"> ▪ United States Agency for International Development (USAID) ▪ International Institute of Tropical Agriculture (IITA) ▪ World Cocoa Foundation ▪ WCF Company members ▪ SOCODEVI <p>Active in Africa, Asia, Latin America</p>	<p>Farmers increasing earnings between 5 and 15% through “group selling” program</p> <p>Direct purchase arrangements in Asia, resulting in \$15 million premium paid to farmers for improved quality</p>
<p>Responsible labor practices</p> <p>The International Cocoa Initiative (ICI)</p> <ul style="list-style-type: none"> ▪ Joint foundation established between industry and civil society ▪ Ensure cocoa is grown responsibly, without the worst forms of child labor and adult forced labor 	<ul style="list-style-type: none"> • The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) ▪ The International Confederation of Free Trade Unions (ICFTU) ▪ National Consumers League ▪ Free the Slaves ▪ Global March ▪ Chocolate industry <p>Active globally: focused on Africa</p>	<p>Integrated approach combining development of community-led initiatives to address worst forms of child labor, with work to ensure government and local industry support for change</p> <p>Working in 24 communities in Ghana, 1500 additional pupils have been enrolled in schools, 116 drops outs returned, 51 new teachers appointed and new schools and classrooms are being built. Similar efforts</p>

		underway in Ivory Coast.
<p>Improved education via teacher training</p> <p>Teacher training, curriculum improvements for primary, secondary schools</p>	<ul style="list-style-type: none"> ▪ International Foundation for Education & Self-Help (IFESH) ▪ The Hershey Company <p>Active in Ghana, Ivory Coast</p>	<p>Trained 2400 teachers and teacher-trainers in curriculum development and advanced teaching methods in Ghana</p> <p>More than 46,000 students to benefit</p>
<p>Improved education via new programs, support for children attending school</p> <p>“CLASSE” Project (Child Labor Alternatives through Sustainable Systems in Education</p> <ul style="list-style-type: none"> ▪ Vocational education program that offers students relevant education ▪ Micro credit program supports local family businesses so families can afford to send kids to school ▪ Child labor, HIV awareness sensitization 	<ul style="list-style-type: none"> ▪ Winrock International ▪ Masterfoods ▪ Norwegian Chocolate Manufacturers Association ▪ World Cocoa Foundation <p>Active in Ghana, the Ivory Coast</p>	<p>1200 students participated in learning agricultural vocational skills in Ivory Coast</p> <p>120 students and their families have received loans</p> <p>540 youths taught by their peers on hazardous child labor, AIDS prevention</p>
<p>Forest conservation</p> <p>Encourage farmers to plant, harvest timber trees – to help improve soil conservation and protect tropical trees</p>	<ul style="list-style-type: none"> ▪ Conservation International ▪ Danish Centre for Forest and Landscaping ▪ Sustainable Tree Crops Program ▪ World Cocoa Foundation <p>Active in Ghana, the Ivory Coast</p>	<p>Developing and sharing best practices via Farmer Field Schools in West Africa</p>