



COCOA

FARMING

AN OVERVIEW





THEOBROMA CACAO

Cocoa – the principle ingredient in chocolate – comes from the cacao tree, which is grown on millions of small, family-run farms worldwide.

In West Africa, Latin America and Southeast Asia, cocoa is an important “cash crop,” providing income to more than 4.5 million families worldwide. It connects these families to a global market, driven by strong, consistent demand.

Yet the families who grow cocoa face challenges. Farmers must contend with severe crop loss due to disease, outdated farming techniques and limited organizational support. Cocoa farming communities often face challenges, too, in areas such as education and health.

Labor practices on cocoa farms are an issue, with too many children participating in hazardous farming tasks or working at the expense of attending school. In rare instances, children may work on cocoa farms in a more vulnerable situation – having traveled away from their parents and immediate family members.

For the companies that use cocoa, the way forward is clear: help the cocoa farming family thrive. For any industry to succeed, all those who participate in its supply chain must contribute effectively and be rewarded fairly. No industry can afford to ignore issues associated with one of its most important ingredients.

That means ensuring cocoa farming delivers sustainable benefits to those families who grow the crop and the communities in which they live.

For nearly a decade, a global effort, supported by leading participants in the world's chocolate and cocoa industry, has worked to make a better life for the millions of adults and children in cocoa farming communities worldwide. This effort takes many forms – programs, partnerships, foundations –



and reflects an ongoing commitment to address the issues affecting cocoa farming communities.

It is a commitment that supports the implementation of the “Harkin-Engel Protocol,” an industry-wide agreement to address child labor and forced adult labor on cocoa farms in West Africa.

And, it is a commitment that is driving real and positive change today. Farmer incomes are up. Educational opportunities are improving. Fewer children are being exposed to unsafe farming tasks. Governments, civil society organizations (CSOs) and the global chocolate industry are working together – and making a difference.

Without question, there is much work to do. Yet we are realizing the vision of a cocoa farming economy that benefits farmers, families and communities alike.

FROM BEAN TO BAR: COCOA FARMING AND CHOCOLATE

Each year, more than 3 million tonnes of cocoa beans are used to manufacture a wide range of chocolate and cocoa-flavored foods.

Yet the creation of a chocolate bar or the brewing of a cup of hot cocoa starts thousands of miles away on a tree, growing on a small, family farm.

“Cocoa” is the product of beans harvested from the cacao tree. Several times a year, farmers harvest “pods” from their cacao trees, with each pod yielding approximately 50 cocoa beans. The farmer often places the wet beans in a pile, so that they ferment naturally before drying.

Once dried, the beans travel from the farm via a complex, multi-step process, during which beans from many different trees and farms are combined. Increasingly, larger quantities are sold from one buyer to the next, until the beans reach a shipping port.

At the port, beans from literally thousands of villages are combined into large shipments, which then move across oceans to destinations in Europe, North America and Asia.

The cacao tree – which produces the cocoa bean – is fragile, capable of growing only in a narrow band 15 degrees north or south of the equator. As with other “orchard” crops, cocoa farming requires time, with cacao trees yielding their first pods approximately two to three years after planting.

Cocoa farming remains a small, family enterprise — nothing like the larger “agribusiness” farms that produce other crops.

COCOA FARMING QUICK FACTS

4.5 MILLION

Number of cocoa farms worldwide

1.5 MILLION

Number of cocoa farms in West Africa

3-4 HECTARES

Average size of a cocoa farm
in West Africa

8

Average family size living
on a West African Farm

2500

Number of beans per tree

3.5 MILLION

Number of tonnes produced
annually (globally)

2.6 MILLION

Number of tonnes produced
annually (West Africa)

7-10

Number of steps from farm
to manufacturer (West Africa)

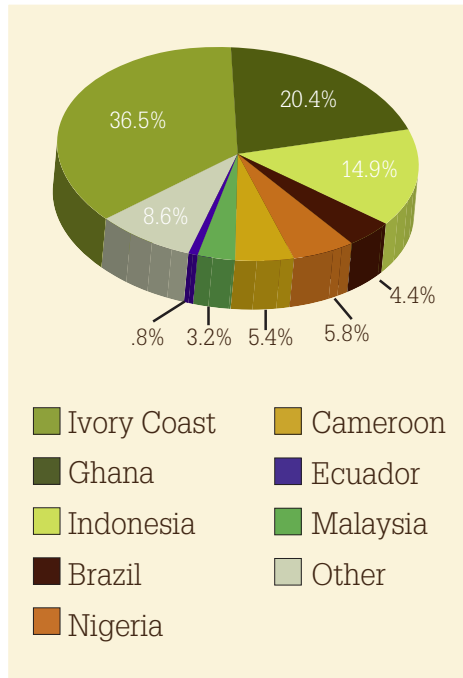
The cacao tree grows well – and in harmony – with the surrounding forest, thriving under the shade canopy of taller, older trees.

Cocoa comes primarily from three regions – Southeast Asia, Latin America and West Africa. Cote d’Ivoire is the single largest producer of cocoa, accounting for approximately 40 percent of the world’s supply. Other leading cocoa farming countries include Brazil, Cameroon, Ghana, Indonesia and Nigeria.

The vast majority of cocoa farms are not owned by the companies that make chocolate products or supply cocoa. In some countries, companies that purchase cocoa in bulk are, in fact, prohibited from purchasing cocoa directly from farmers; in other countries, cocoa is purchased from farmers by a national cocoa organization. In either case, it is a complex system of intermediaries that purchases and transports the cocoa from the farm to the port.

Much as it was 100 years ago, cocoa farming remains a small, family enterprise – nothing like the larger “agribusiness” farms that produce other crops.

In West Africa, for example, the average cocoa farm is a 3 to 4 hectare (or 7 to 10 acre) plot, operated by a family that lives on the farm or nearby. Estimates place the number of West African cocoa farms at 1.5 to 2 million, with more than 4.5 million cocoa farms worldwide.



CREATING OPPORTUNITIES, ADDRESSING CHALLENGES

In those countries where climate conditions are favorable, cocoa farming is a widespread activity – and an important source of income. A “cash crop,” cocoa farming accounts for a substantial percentage of family income in many countries. Farmers benefit from the global market for the crop and the cacao tree’s ability to work well with other crops that peak at different times of the year.

At the same time, farming families face challenges that make it difficult to realize the true potential of cocoa farming. The fragile nature of the cacao tree makes it vulnerable to pests and disease: each year, farmers can lose anywhere from 30 percent to nearly their entire cocoa crop. The limited availability of improved seeds or planting material means that farmers are harvesting from trees that are old and produce low yields.

Limited knowledge of new, more efficient farming techniques also reduces crop yields and incomes. Lack of organization among groups of farmers limits their ability to purchase supplies at a lower cost, access helpful market information or secure a better price for their cocoa. Low literacy rates also hamper farmers as well as the farming community.

Health and social issues impact the community as well, notably a lack of access to quality, relevant education for children on cocoa farms. In West Africa, many cocoa farming families must also contend with HIV/AIDS, malaria and poor quality drinking water on a daily basis.

In Cote d’Ivoire, cocoa accounts for more than 50 percent of household income.



The role of children on cocoa farms is both an important tradition and a challenge. In West Africa, where nearly 70 percent of the world's cocoa is grown, children help out on the family farm, much as they do in many other countries, for many other crops. The involvement of younger family members in farming tasks is one of the first steps in transitioning responsibility for the family farm.

Yet there are challenges as well. Surveys commissioned by the governments of Cote d'Ivoire and Ghana found that too many children participate in unsafe farming tasks, using dangerous farm tools or taking part in the application of pesticides. The research also found children reporting injuries due to farm work, as well as instances where children worked on the cocoa farm instead of attending school.



TOP ISSUES AFFECTING CHILDREN IN COCOA FARMING COMMUNITIES

- 1) School attendance;
access to education
- 2) Participating in
unsafe farm tasks
- 3) Injuries as a result
of farm work

Finally, and of deepest concern, there have been reports of children moved (or “trafficked”) to work on cocoa farms, away from their home communities and with no family connection to the adults on the farm. Such practices, reflect, in part, the economic hardships and social upheavals in regions where cocoa is produced. Yet regardless of the underlying reasons, any instance is completely unacceptable.

**Without question
— the lives of
children must
not be harmed
or compromised
in any way to
grow cocoa.**

Cocoa has the potential to deliver tremendous economic benefit to those who farm it – in regions where economic opportunities are often scarce. Yet the crop cannot realize its potential unless the issues affecting the farmer and the community are addressed.

And – without question – the lives of children must not be harmed or compromised in any way to produce this important crop.

A COMMITMENT... A WAY FORWARD

In the late 1990s, the chocolate and cocoa industry became increasingly concerned about the issues facing cocoa farmers. Disease had wiped out much of the cocoa crop in Brazil, once a leading cocoa exporter. In other cocoa growing regions, ineffective farming techniques and poor environmental management were impeding the crop, the economic health of cocoa farmers and the environment in which cocoa was grown.

As a practical matter, the industry had to address issues associated with one of its most important ingredients. At the same time, there was recognition that cocoa could play a more positive role in the lives of millions, but it would not happen automatically.

What was required: an industry-wide commitment to improving the sustainability and economic potential of cocoa farming.

In 2000, a group of visionary chocolate companies formed the World Cocoa Foundation (WCF), an organization dedicated to supporting the long term sustainability of cocoa farming through education and research.

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Efforts to improve conditions on cocoa farms took on additional urgency in 2001, with reports of unacceptable child labor practices on some cocoa farms in West Africa. That year, the industry worked with U.S. Senator Tom Harkin, U.S. Representative Eliot Engel and U.S. Senator Herb Kohl to develop an agreement, known as the “Harkin-Engel Protocol,” committing the industry to addressing the worst forms of child labor and forced adult labor on cocoa farms in West Africa.

The Protocol led to the establishment of an independent foundation focused on cocoa farming labor practices, the International Cocoa Initiative (ICI), as well as the development of a “certification” process.

Today, the chocolate and cocoa industry pursues a strategy that seeks to drive change at the farm level and in the farm community.

Overall, there are three priority areas:

Economic

Boosting farmer incomes via training, farmer organization, crop diversification.

Social

Ensuring that children are not exposed to unsafe labor tasks; help for exploited children; improved access to higher quality education.

Environmental

Encouraging sustainable farming techniques that support the tropical ecosystem.

Industry-supported programs work in coordination with other efforts underway, such as the national plans enacted by the governments of Cote d'Ivoire and Ghana to improve cocoa farming labor practices.

This coordination is essential: solutions to the challenges facing cocoa farms require the active involvement of many different stakeholders, including government, trade, industry, NGOs and other interested parties.

WORLD COCOA FOUNDATION

(WCF)

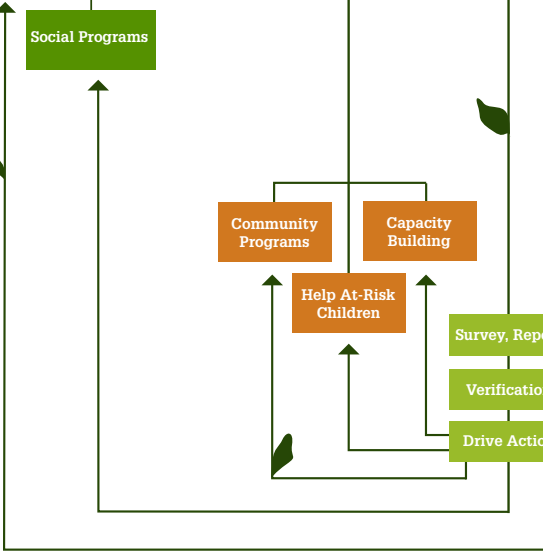
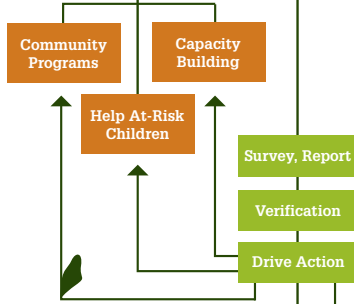


HARKIN-ENGEL PROTOCOL



NATIONAL PLANS

(Cote d'Ivoire, Ghana)





MAKING A DIFFERENCE

Better trained teachers, and a more engaging, relevant education. More income for the cocoa farmer. Greater community involvement in addressing labor issues on cocoa farms, and help for “at-risk” children.

In hundreds of cocoa farming villages, programs supported by many of the companies and associations that make up the worldwide chocolate industry are making a difference.

Social Change: A Stronger Community

The well-being of children in cocoa farming communities is a priority issue. Industry-supported efforts tackle the challenge in a number of ways.

The International Cocoa Initiative (ICI) is an independent foundation established in 2002, as called for in the Harkin-Engel Protocol, to address the worst forms of child labor and adult forced labor on cocoa farms in West Africa. Supported by individual chocolate and cocoa companies, the ICI is led by a board composed equally of industry and civil society (NGO) representatives. The International Labor Organization (ILO) is an advisor to the Board. The ICI is focused exclusively on labor practices (and related issues) on cocoa farms – and the only foundation of its kind.

Reflecting the complex nature of labor issues, the ICI pursues a number of different strategies:

- Work with cocoa farming country governments to ensure appropriate and effective policies are in place
- Support capacity building at the local level
- Implement community based projects to change practices
- Support social protection for victims of exploitation
- Share lessons learned for use in future projects

ICI Case Study Sekyere Krobo

In the cocoa farming village of Sekyere Krobo, Ghana, the ICI implemented its community engagement approach in 2005. Working with their local partner, Support for Community Mobilization Programme Project (SCMPP), the ICI organized community-wide meetings, focus group discussions and leadership meetings to identify key issues and help the community develop a Community Action Plan. Among the important issues identified through this process: education.

The village used an ICI community grant to extend electricity to its primary and junior high schools to facilitate attendance in the evening. In turn this change led to an increase in literacy rates, as well as an overall improvement in academic performance, according to the heads of the two schools.

In addition, the district assembly – after receiving the Community Action Plan – implemented several projects in the community to tackle labor issues and improve social services.

In 250+ Cote d'Ivoire farm communities and Ghana, the ICI and its partners engage community members to identify inappropriate labor practices on cocoa farms, and develop community-based solutions. It works with communities to push for better education and other services important to the well-being of children.

The ICI also works with law enforcement in both Cote d'Ivoire and Ghana, conducting training on how to detect

potential trafficking of children, and take action. Through partnerships with local organizations, the ICI supports programs that provide assistance for exploited children, as well as those children who are in an at-risk situation.

The Harkin-Engel Protocol also led to the development of a “certification” process for cocoa farming. Through an ongoing process of data collection, reporting, remediation and independent verification, certification improves labor practices on cocoa farms.

Simply put, certification identifies important labor issues on cocoa farms, shares information on those issues and drives corrective action to address them.

Given that there are up to two million cocoa farms in West Africa, certification uses a survey process to capture and document labor issues – rather than monitoring each farm. A detailed report, based on results from the survey of cocoa farms, identifies the key issues and offers specific recommendations to address them.

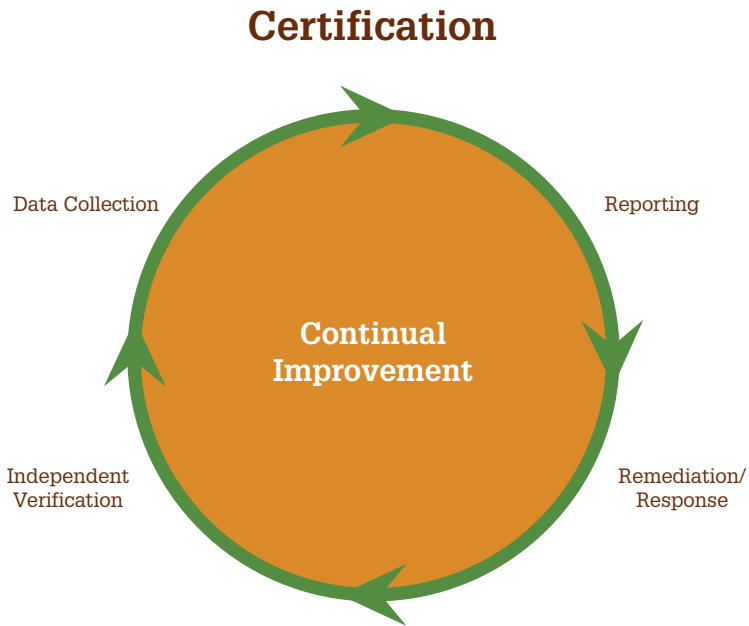
Independent verification of the data collection effort, managed by the International Cocoa Verification Board (ICVB), ensures the credibility of the process.

ICI Results

The ICI approach is changing attitudes and behavior, while improving the lives of children. During the ICI's pilot program:

- In 87.5% of communities reached, children are no longer involved in spraying of cocoa.
- 79% of communities have taken measures to reduce the loads children carry.
- In all communities, parents and guardians have started providing protective clothing for children when they accompany them to the farms.
- 83% of communities have taken measures against children breaking pods.
- 87.5% of communities officially requested teachers.
- 54% of communities had employed supporting teachers, paying them directly.

The ICVB coordinates the work of on-the ground “verifiers,” who verify the certification data collection process.



The certification process works in coordination with national plans enacted by the governments of Cote d’Ivoire and Ghana, to improve labor conditions on cocoa farms. These plans include a number of different actions and programs to create a better life for children on cocoa farms – and to tackle labor issues directly.

The national plans represent a major step forward: government involvement is essential to changing labor practices.

Both governments support surveys of labor conditions on cocoa farms and the public release of results from these detailed surveys. Both have appointed senior officials, to drive and coordinate programs in response to the issues identified in the certification surveys.

What Certification Does...

- Improve labor practices on cocoa – by highlighting problem issues and driving resources to address them
- Offer a candid, detailed assessment of labor conditions (and related issues) in cocoa farming communities
- Inform, guide and measure the success of efforts to help children and adults in cocoa farming communities – and to improve farm labor practices
- Involve West African governments – who have sovereign control over the territory where the farms are located – and other organizations in driving change at the farm level

What Certification Does Not...

- Certify individual bags of beans or farms
- Generate a label or “seal of approval”
- Certify a country’s cocoa sector as having a “clean bill of health”
- Punish cocoa farmers or divide farming communities
- “Monitor” individual (or every) cocoa farm on a constant basis
- Operate in isolation from West African governments, local aid organizations and others whose involvement is essential

As part of a broader mandate, the World Cocoa Foundation (WCF) also plays an important role in addressing social issues in cocoa farming communities – in particular, education and awareness of safe, responsible labor practices.

A partnership between the WCF and the United States Agency for International Development (USAID) is expanding access to education and creating a better learning experience for children in cocoa farming communities in West Africa. These programs focus on teacher training and the development of a more engaging, relevant education.

340,000 children will have benefited from WCF-supported education programs by 2010.

8,800 teachers will have been trained.



WORLD COCOA FOUNDATION PROGRAMS ARE BASED ON 4 KEY PRINCIPLES

- 1) Long term solutions matter more than “quick fixes”**
- 2) Partnerships drive success**
- 3) Community involvement is essential**
- 4) The chocolate industry plays a key role**

Individual chocolate and cocoa companies, as well as trade associations, support programs that address important health issues like clean drinking water, malaria and HIV/AIDS.

Together, these efforts are creating stronger, healthier cocoa farming communities in West Africa – and a brighter future for the tens of thousands of children who live in them.

Economic Change: Help for the Farming Family

Cocoa farming is an important source of income for nearly two million families in West Africa alone. Yet crop loss, inefficient farming techniques and lack of farmer organization keep many families from realizing the crop's true economic potential.

In West Africa, the Sustainable Tree Crops Program (STCP), supported by the World Cocoa Foundation, USAID and individual chocolate companies, helps farm families earn more for their cocoa crop. Through a nine-month training course, known as “farmer field schools” farmers learn how to improve their cocoa crop yields – and earn more money.

The training also includes information on social issues such as HIV/AIDS and malaria prevention, the appropriate role of children on the farm and farm safety.

Other efforts help farmers organize themselves to earn a better price for their cocoa harvest, by selling their cocoa together. While varied, the programs supported by the World Cocoa Foundation have a common purpose: change the “fundamentals” of cocoa farming, in a way that benefits farmer, family and community.

Results

- 20-55% increase in incomes for families participating in farmer training programs.
- 76,000+ families have already benefited from income-raising programs.
- A total of 150,000 families will be reached by 2011.



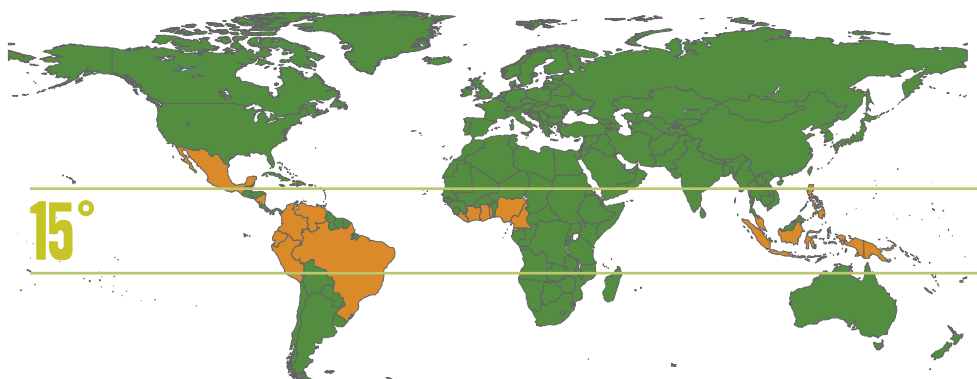
ENVIRONMENTAL CHANGE: COCOA AND THE TROPICAL ECOSYSTEM

Grown properly, cocoa can play a positive role in protecting the environment. Cocoa grows best under the shade canopy of mature rainforest trees. A cocoa farm can provide a safe, nurturing home to many different types of animals. But it will not happen automatically.

The World Cocoa Foundation supports efforts to protect and enhance the environment in which cocoa farmers grow their crop. World Cocoa Foundation programs help farmers select pest control methods that are effective, economically feasible and cause minimal impact to the environment.

World Cocoa Foundation-supported programs also educate farmers on growing cocoa responsibly within existing forests – rather than “clear cutting” the land. Other World Cocoa Foundation-supported efforts include training on growing cocoa together with other crops and forest trees.

The World Cocoa Foundation also works with partners to provide grants to organizations developing better farming techniques that are environmentally responsible, safer and more economically rewarding.



FREQUENTLY ASKED QUESTIONS

Is cocoa farming profitable? Can cocoa farmers earn a decent living?

Cocoa is a “cash crop,” and has played an important, vibrant role in rural economies worldwide. It continues to do so today, providing families with income and raising the standard of living in thousands of communities where it is grown and harvested. It is a crop that enjoys a consistent, global demand.

In some regions, particularly in parts of West Africa, farmer incomes are low – in part due to low farm productivity – and as a result these farmers struggle. Industry-supported programs help farmers with issues like crop loss due to disease, outdated farming techniques and other income-related issues. These programs demonstrate that farmer incomes can be significantly increased in a sustainable manner, by addressing the root causes.

Do chocolate companies own cocoa farms?

The vast majority of cocoa farms are owned and operated by individual farmers and farming families.

Do chocolate companies purchase their beans from farmers?

The cocoa supply chain can involve up to 12 different steps as cocoa is moved from the farming village to the port and then to the chocolate manufacturing facility, through a series of intermediaries. Only in rare cases do companies purchase cocoa from farms.

Can chocolate companies pay more for their cocoa? Won't that help farmers?

An effective way to help cocoa farmers earn more and become self-sufficient is to support them at the farm level – through different programs – rather than trying to set price controls that often fail.

Do children work on cocoa farms? Are there child labor issues on farms?

On hundreds of thousands of cocoa farms, children help out with farming tasks as members of the family, much as they do around the world, for many other crops. Helping out on the family farm is part of their daily chores, and for many farmers, an important step in eventually handing over the farm to their heirs.

At the same time, there are issues. Surveys in Cote d'Ivoire and Ghana found that too many children are performing unsafe farming tasks, and being injured in the process. There are also instances where children may be working instead of attending school, and even moved (or “trafficked”) to a farm away from their village, to work full-time.

What is being done to address labor issues on cocoa farms?

The worldwide chocolate and cocoa industry believes that no child should in any way be harmed in cocoa farming, and that cocoa farming can – and must – play a positive role in the farming community.

The industry supports a number of programs to help cocoa farmers, their families and farming communities. These programs are improving education: reducing the number of children exposed to unsafe farming tasks and helping exploited and/or “at-risk” children.



Why can't industry simply label or "certify" its products?

In West Africa, cocoa is grown on as many as two million small farms spread across rural, often remote areas of the region. From the farm, a complex process takes the cocoa beans to port. Beans from multiple farms are mixed together, early in the process. To be credible, a label that certifies chocolate products as free of any labor abuses would require monitoring labor practices on every individual cocoa farm on a frequent basis. To do so on a massive scale, covering millions of tonnes of cocoa, would be impossible.

Why can't industry trace each cocoa bean – to a farm that grows cocoa responsibly?

The length and complexity of the cocoa supply chain, including the number of intermediaries involved in moving several million metric tonnes of cocoa from individual farms to port, makes credible traceability of each and every pound/kilogram of cocoa a physical impossibility. Further complicating such an approach is the practice of combining beans from different farms – and entire villages – in the early stages of the supply chain.

What is the environmental impact of cocoa farming?

Actually, cocoa farming is most effective when undertaken in harmony with the surrounding environment, which is often the tropical rainforest. Cocoa trees grow best when under the shade canopy of tropical forest trees, and when environmentally responsible techniques are used to control pests and disease.

How can I get involved?

There are a number of organizations working to help cocoa farming families and the communities in which they live. Two of the leading groups include the World Cocoa Foundation (www.worldcocoa.org) and the International Cocoa Initiative (www.cocoainitiative.org).

ADDITIONAL RESOURCES

To learn more about cocoa farming, the issues and opportunities cocoa farmers face and what's being done to help farming communities, visit:

The World Cocoa Foundation:

www.worldcocoa.org

The International Cocoa Initiative:

www.cocoainitiative.org

The official Web site for the International Cocoa Verification Board (ICVB):

www.cocoaverification.net

The official Web site for the Government of Cote d'Ivoire's program to address labor issues on cocoa farms:


www.cacao.gouv.ci

The official Web site for the Government of Ghana's program to address labor issues on cocoa farms:

www.childprotection.gov.gh

This document was published by the following organizations:





**WORKING TO MAKE
A BETTER LIFE FOR
CHILDREN & ADULTS
ON COCOA FARMS**

**Higher farm family
incomes**

Improved education

**Safe, responsible
labor practices**

**Help for “at-risk”
children**