

*Speech by Håkan Björklund at the WCF Partnership Workshop in Brussels on
October 14, 2009*

I'm representing the Swedish Chocolate, Biscuits and Confectionery Association.

The Association has approximately 20-25 members. Well you might wonder why I'm not giving a specific figure here. Due to recent split-ups, consolidations and possible forthcoming mergers, the exact number might vary a little over time. What always remains stable - and here we have a rather exact figure - is that together our members cover 93 per cent of all sales of Chocolate sold in Sweden. In addition, some members also contribute with substantial exports.

Our organisation was founded in 1895 and, according to the original statutes, the primary objective was to ensure a fair allocation of (scarce supply) cocoa to our member companies. This was an understandable aim under turbulent periods of tariff peaks to restrict imports of luxury ingredients, economic depressions and, of course, war times.

Since then import conditions certainly has increased in a free trade friendly direction.

Today the difficulties and challenges our industry face are primarily not political restrictions but the risk of jeopardizing long term supply. Therefore, a need for sustainability in the whole cocoa chain is pivotal for our cocoa user industry.

Again the word fair allocation can be reused, but now in a completely new and different context.

If the cocoa farmer is not treated fair and he does not see a prosperous future in growing cocoa - he will probably leave business. Being a cocoa using industry with no real alternative options such a scenario justified some thoughts - and subsequent actions. If you are dependent on one single product which for many companies is cocoa, you have to think about tomorrow and the day after tomorrow.

For that reason we are engaged in industry wide programmes supporting sustainability. Combating the worst forms of child labour is one of our priorities. The reports about child labour have highlighted the hazardous working conditions at the cocoa farms.

A couple of years ago we saw an opportunity to start a project on improved working conditions for cocoa farmers and their families thanks to release by the Swedish government of the funds built up by the levy on cocoa beans decades ago. In line with our engagement against child labour and for better working conditions we identified improvement of working conditions at the farm as high priority. We discussed our thoughts with WCF and together we developed the project "Improving Occupational Safety and Health on West African Cocoa Farms". WCF is coordinating the activities and is working together with a range of organisations including the Sustainable Tree Crops programme, International Labour Organization, national committees on child labour, cocoa cooperatives, extension and research organisations.

The project has two parts. The first part covers

- Development of training and extension materials on occupational safety. This should be in the form of an illustrated farmer guidebook
- Pilot farmer training where 4920 farmers in Ghana and Cote d'Ivoire will be trained
- Organisation of national workshops to raise awareness of occupational safety and health on cocoa farms and to explore policy issues

In the second part we will sponsor Challenge Grants directly related to the development of farm safety, productivity innovations or health education training innovations. The grants can for example be given for development of alternative tools and machines for harvesting pods, for safe and rational pesticide application, transportation of heavy loads etc. Other potential projects that can be awarded could be on labour reducing techniques and farmer training and sensitization on social issues.

The first part of the project was started in the beginning of this year and the first step – the training manual - has just been finished.

- Hazards of farming tools
- Carrying and lifting loads
- Poor posture
- Repetitive strain injuries
- Agrochemical hazards, including risks from pesticides
- How to store and dispose of agrochemicals
- Reading of agrochemical labels
- Using and maintaining personal protective equipment
- Hazards encountered by pregnant women, children and elderly
- Hazardous farm conditions
- Handling farm emergencies, first aid

14 exercises have been developed to discuss and practice the learnings

Importantly the curriculum is harmonized with cocoa certification standards such as UTZ and Rainforest Alliance

There is also a “training of trainers” curriculum developed in order to continue the training outside the pilot group of farmers.

Next steps are now to initiate the training. This will be linked to STCP farmer field schools. The training will start in a couple of months’ time, in December. Before year end 3020 farmers in Ghana and Cote d’Ivoire will have received the training.

The manual covers a wide range of important topics

We are now looking forward to reports of progress of the project and to participate in the evaluation of the applications for the Challenge Grants.

Concluding remarks.

42 per cent of the cocoa crop is grown in the Ivory Coast, closely followed by Ghana. Focusing our efforts on the two largest cocoa producing countries allows us to achieve maximum impact and develop new approaches and technologies that will ultimately benefit the entire West Africa cocoa-producing region.

It is a little premature to evaluate the project already, we are waiting for an interim report from WCF in December. Apart from the primary objective of the project i. e. the training of the cocoa farmers we can also see, indirect results of major importance to our industry in Sweden. The keyword here is CREDIBILITY.

The primary purpose is to see that cocoa production and harvesting is done in a way which will not be harmful for the people doing the work. For example, by showing the farmers the most appropriate way to use pesticides, and that double the amount does not give double the protection, could help them reduce costs and, at the same time, minimize health risks.

However, further down the line there are also long term benefits for confectionery manufacturers. Only if there is enough profitability for the farmers they will find it attractive to invest in cocoa production.”

There could also be a boost to a company's social responsibility credentials as many consumers want products produced more ethically. Provided the industry is able to act in a open and transparent way this will strengthen credibility, which might make the companies more attractive, thus facilitating recruitment of next generation of skilful marketers.

The fact that Swedish chocolate industry addresses issues in the cocoa production in West Africa has helped us convince critical NGO's such as Swedwatch to change their minds. A couple of years ago Swedwatch published a highly critical report "the bitter aftertaste of chocolate" where they urged Swedish consumers to boycott chocolate. Nowadays Swedwatch realizes that Swedish companies are addressing the problems in West Africa and says "the more chocolate made in Sweden the consumers buy, the better for the farmers and their families in West Africa. *Nota Bene:* There is still a long way to go – and a lot to explain. But instead of confrontational debate we now face more of an in depth dialogue regarding the cocoa logistics and the need for various operators to be active along the chain from cocoa beans to processed chocolate.

This project is only one among many industry projects. What we are proud of is the industry-wide approach. Our companies should compete on the consumer market with their brands, but refrain from competing with individual, uncoordinated projects.