Introduction

Dear Friends,

I am delighted to present the 2018 Partnership Meeting summary. It recalls a remarkable event, fueled by Brazilian energy and passion, that was made possible by our sponsors and the invaluable contribution of 71 speakers who traveled from all around the world to share their expertise.

Partnership Meeting participants received an exceptional welcome in São Paulo, with a high level of engagement and enthusiasm from Brazilian officials, including the Federal Minister for Agriculture. Together we hosted 317 private sector sustainability leaders, farmers, government and civil society representatives, and cocoa research scientists from 30 countries. I remain grateful for the high-level delegations that attended from Côte d'Ivoire and Ghana. I hope that the rich conversation that took place in Brazil between the Latin American and West African cocoa sectors will continue and deepen in the coming months and years.

“This event has brought us greater optimism for the future,” said one participant while providing feedback after the Partnership Meeting. Moments such as a conversation with global sustainability leader Guilherme Leal, the launch of CocoaAction Brasil, presentations by cutting-edge scientists, and two round tables with cocoa farmers from around the world were among the particularly inspiring highlights of this year’s Partnership Meeting.

During this year’s closing session, two young Climate Justice Ambassadors from Plant-for-the-Planet spoke about efforts to mobilize young people to plant trees to fight climate change. As Plant-for-the-Planet Founder Felix Finkbeiner often says, “A thousand mosquitoes can change the course of a rhino.” This same maxim can surely apply to WCF’s 100+ members, which are exceptionally well placed to partner with others in the sector and serve as the catalysts for achieving our vision of a sustainable and thriving cocoa sector – where farmers prosper, cocoa-growing communities are empowered, human rights are respected, and the environment is conserved.

Let’s keep working together to find solutions to the barriers that today stand between us and a truly sustainable cocoa sector. I invite you to join us again on October 23-24, 2019, in Berlin, Germany, for our next Partnership Meeting.

Richard Scobey
President
Bahia, Brazil

Government of the State of Bahia, Brazil

Government of Brazil

Blairo Maggi

Government of the State of Bahia, Brazil

Blairo Maggi, the minister of agriculture, highlighted the sustainability of Brazilian agriculture and the strong legislation that protects native vegetation and natural resources within productive farms. In areas such as the Amazon, 80 per cent of the property size must be protected, in the Cerrado, this number is 35 per cent, and in other biomes, around 20 per cent of the farm must be dedicated to preservation. Overall, more than 25 per cent of the national territory is protected inside of rural properties, meaning that farmers are helping to protect approximately 210 million square hectares of land. According to Blairo Maggi, Brazil is also recovering 15 million square hectares of degraded pasture lands. Agroforestry productive systems (known as “SAF” in Brazil) are increasing the resilience of growers towards climate change and promoting carbon sequestration.

The minister mentioned the importance given to cocoa, with a recent reorganization that brought the National Cocoa Research and Technical Assistance Center (CEPLAC) under the Ministry of Agriculture, Livestock, and Food Supply (MAPA). The Brazilian cocoa and chocolate sector currently represents BRL 25 billion (USD 6.75 billion), and the industry generates 180,000 direct and 720,000 indirect jobs. Cocoa is a driver of reforestation and sustainable development through agroforestry; around 10,000 hectares of degraded pasture land per year are being recovered in the Amazon with cocoa agroforestry systems.

The minister explained that MAPA has a plan to grow cocoa production by 50 per cent over the next five years, with the goal of reaching 300,000 tons of cocoa produced per year in Brazil. Efforts are ongoing, with the commitment to keep investing in technology, innovation, and policies. He added that Brazil has a competitive advantage, because it is one of the only countries in the world with the complete cocoa productive chain: from production, processing, and industry to consumption. There are ongoing public policies within the International Cocoa Organization for Brazil to be reaccepted as an effective member and plans for Brazil to export fine flavor cocoa in the future.

Richard Scobey

The World Cocoa Foundation (WCF) president Rick Scobey thanked the sponsors of the Partnership Meeting and acknowledged global cocoa leaders, WCF members and partners, and the cocoa farmers present. He started his speech citing a popular Brazilian saying, “Quem não olha para frente, fica para trás” (those who do not look ahead, stay behind). He mentioned several important steps taken for the sector since the 2017 Partnership Meeting: the launch of the Coca & Forests Initiative, the Ahladian Declaration, and new technologies adopted by the sector such as precision agriculture, digital apps, blockchain, and others, especially in Latin America and the Caribbean. Nonetheless, issues such as deforestation, child labor, and human rights remain a challenge and a reality in cocoa worldwide.

Rick said that business as usual in the cocoa sector is no longer an option.

WCF wishes a transformation of the sector toward higher production with modern technology, and enough diversity of crops for improved income of growers and a sustainable future.

Rick suggested the following actions in order to drive change:

1. Stronger and more effective collaboration in the sector, with collective actions (such as CocoaAction) and strong multi-stakeholder platforms.
2. Enabling business and environmental policies at local and global levels with strong market incentives to ensure long-term stable and sustainable supply of cocoa and to grow local demand by consumers.
3. The need to think openly about pricing and develop creative solutions including solving issues like land tenure, farmgate prices, access to agricultural inputs and financing.

The cocoa sector needs to work toward granting quality inputs and managing capacity for growers, the inclusion of women and youth, and resilient tools for climate smart agriculture in order to develop cocoa communities. He concluded by saying that increasing cocoa productivity is a top priority and that building the business capacity of growers should be a shared journey. “Água mole em pedra dura tanto bate até que fura” (soft water can break the hard stone over time) were the words chosen by Rick to emphasize that if we work together, we can prosper.

Nicko Debenham explained that Brazil is very important to Barry Callebaut and to the cocoa sector overall. He mentioned that a systemic structural shift is required to drive change in the sector, and that Barry Callebaut has signed a public commitment through Forever Chocolate 2025 to foster sustainable cocoa. Nicko pointed out that 120,000 cocoa growers supply the company worldwide. The current challenges in Brazil include diseases, deforestation, and the excess of fertilization.

On the positive side, Brazil has good sized cocoa properties that allow for better living incomes, high planting varieties, and high potential for carbon sequestration. Nicko mentioned that Brazil has the know-how and that good agricultural practices, innovative models, diversification, and mechanization will help drive cocoa sustainable production in Brazil.
Alan Batista explained that WRI Brasil has been studying models to mitigate climate change and, so far, the option of improving reforestation and diminishing deforestation has presented the best cost-benefit ratio in Brazil. The cost of restoration alone would be very high: USD 10 billion to cover approximately 12,000 hectares. He said that around 20 to 30 per cent of cocoa producing areas in Africa have environmental issues. Alan showed data that proves that growing cocoa in agroforestry systems is the best adaptation and mitigation option, with three times more carbon sequestration than cocoa grown under full sun conditions.

WRI’s Economical Valorization of Reforestation with Native Species project, comprising 12 initiatives, has found that agroforestry systems obtain twice the financial return, require two times less investments, and are less volatile compared to traditional systems while reducing the payback period by four times. Alan mentioned that cocoa in Brazil can generate a four-year payback, in comparison with some species of native trees that can only be sold as timber after 16 years. Cocoa grown in agroforestry systems generate more shade and optimal thermic conditions for the plant, on top of a better quality of life for growers.

WRI’s initiatives with CEPLAC and CAMTA cooperative in Pará, for instance, have shown that cocoa planted with native trees such as rubber trees, “Pau-Brasil”, and others can generate from 750 kilogram to one ton of cocoa per hectare per year. The production of cocoa with native Amazonian fruits like açaí, andiroba, and others is common in Brazil. Alan concluded by saying that the integration of cocoa and forests is one of the models that should be developed at scale, and that economic and political policies combined are needed for further development.

José Iturrios
Peru Cocoa Alliance

Juana Botero
CasaLuker

Juana Botero presented CasaLuker’s “Chocolate Dream” project, which notably intends to overcome problems related to illegal drug activity in Colombia, helping small growers quit coca farming and dedicate themselves to cocoa production. The challenges in these areas are the scale of illegal activities (200,000 hectares of coca land) and well-implanted illegal players who pay high wages and live in close proximity with the farmers. Juana mentioned that CasaLuker found new paths to peace by working closely with small growers, demonstrating empathy and a “people working for people” approach, as opposed to a business working with farmers. The project’s impact so far includes 200 formal jobs, 600,000 cocoa trees planted, and 41 kilometers of improved roads for use by the community. Additionally, 120 species of migratory birds have been spotted in the area of the plantation.

Although the lack of financial resources, low adoption (change of grower mindset), and overall security issues often stand in the way of real change, the “Chocolate Dream” has had a multiplier effect, with CasaLuker growers themselves becoming an example for the community. The company intends to replace 7,000 more hectares of coca land with cocoa in Colombia. Juana concluded her presentation by saying that:

“The best chocolate is the chocolate that improves lives.”
We need to take care of society in order to take care of ourselves.
The Cocoa Sustainability Journey

This session was a learning exchange opportunity, gathering stakeholders from different regions and various experiences in cocoa to discuss the basics of sustainability. When the panelists first started their careers, sustainability had a narrow definition. Gerry Manley said that sustainability was associated with philanthropy and not integrated into the supply chain or part of commercial activities. Britta Wyss Bisang added that the vision of sustainability was more compartmentalized 15 years ago. This has now evolved into a holistic vision, where everything needs to work together. In Uilson Lopes’s opinion, sustainability has been talked about in Brazilian cocoa for a long time, but the environmental and economic components are more important now.

The discussion dealt with lessons learned from other countries that could be brought to Brazil. Britta said investing in farmer organizations (for technical services, seedlings, and financial support from institutions directed at smallholders) and partnerships between government, private sector, and NGOs for higher impact on the journey to sustainability. Gerry suggested that CocoaAction is a good collaboration experience from West Africa—with pre-competitive efforts, the sector can work closely to tackle sustainability challenges and improve relationships with governments. It is also crucial to listen to farmers and understand what they want.

The panelists shared their views on where they would like to see cocoa sustainability in the next five, 10, and 15 years:

- **Uilson** said that the focus should be on reducing risks (disease, climate change) and increasing efficiency (through mechanization, new technologies, higher productivity, and lower production costs).
  - Gerry underlined the need to promote business-minded farmers, to work together to make sure cocoa growers have a fair living income and to enhance responsible behaviors toward the environment with reforestation of lands and other measures.
  - Britta recommended investing in data that helps both farmers and the supply chain in the short term and enhances attractiveness for younger generations. She said all actors need to address the costs of sustainable production and hopes to have better prospects when it comes to child labor in cocoa.

This interactive session closed with ideas about the role that industry, civil society, and governments should play in the future to enable the discussed transformation. For Britta, government should be in close dialogue with the cocoa sector, farmers, and NGOs on the best ways to have an enabling environment for sustainable production. Private sector should stay engaged as they currently are and there need to be more talks about the costs of sustainable production. Uilson thinks that government should define policies on how to manage forests based on science. He also said the industry needs to work together for a wiser use of money (collective action for sustainability). Gerry mentioned that the industry will need more cocoa in the future, so it is important to invest in production and training farmers appropriately.

Fighting Deforestation with a Landscape Approach

Daniela Marriuzo introduced this discussion by outlining the need for action on environmental issues to generate real change—great models and methodologies are not enough. She stressed the need for dialogue within the cocoa supply chain since neither industry nor governments are solely responsible for fighting deforestation. Daniela said if we want to scale up sustainable development, we need to think about solutions at the landscape level. She concluded by dealing with cost-risk benefits—higher risks entail higher costs. Landscape approaches offer the opportunity to lower risks not only in cocoa, but in other sectors as well.

Joseph Larrosse presented the Partnership for Productivity Protection and Resilience in Cocoa Landscapes, a consortium led by Touton to achieve a deforestation-free cocoa landscape in Western Ghana and to develop a market for climate-smart cocoa beans. They are initially targeting 60,000 smallholder farmers. The program works to increase productivity and income diversification and to provide farmers with skills to be ambassadors of community landscapes to build resilience. Key challenges of the project are determining how to share financial responsibilities and with creating partnerships, taking into account the weight of various players and building a platform. He concluded by saying that it is important to ensure that chosen interventions are a good fit for local communities in order to have positive impacts.

Simon Brayn-Smith presented Olam’s “A Way to Achieve Future Lands” Tanzania project, which uses a landscape approach with a focus on water management.

Eduardo Trevisan discussed Brazil’s PRODES, a satellite monitoring system integrated with public policies, such as the Ministry of Environment Action Plan to Prevent and Control Deforestation in the Legal Amazonian Region. Brazil observed a significant decrease in deforestation from 2004 to 2016. This integrated system was not the sole factor in play, with pressure from the industry, traders, and producers all converging to halt deforestation. Eduardo said that sustainable livestock groups also indirectly contributed by preventing deforestation driven by cattle ranchers.

Eduardo mentioned that Brazilian cocoa production is expected to rise from 200,000 to 400,000 tons in the coming years, with two main drivers—higher productivity (especially in Bahia and Espírito Santo) and net-cocoa plantings in the Amazonian region (Rondônia and Pará). This should be achieved with transparency, community involvement, and collaboration within the supply chain, strengthening of cocoa cooperatives’ technical and management competencies, encouraging youth engagement, and investing in infrastructure.

Judy Rodrigues presented the High Carbon Stock Approach, a methodology based on field data combined with satellite monitoring that supports landscape projects. The methodology follows three basic steps of collecting data, processing, and action. Judy has learned that technology can help decrease costs. She outlined the need for engagement and increased cross-sector collaboration, with the importance of government support in forest conservation process and planning. To achieve more impact, maps are a simple and effective tool to use.

Key takeaways from the question and answer session included:

- This issue is complex. There is a risk of overlooking important information when simplified.
- Some factors that facilitate the process are building trust, transparency, and defining roles.
- People need to understand and engage with the cause first, then deforestation-free cocoa production will follow naturally.
- Training is essential, as well as support for income diversification.
- Based on Pará state, there is no need to plant more cocoa, but instead there is a need to take care of existing cocoa by improving practices, productivity, processing, and sustainability.
Lessons Learned from Different Farmer Organization Models

Representatives from four types of farmer organizations from different cocoa growing regions joined this panel discussion. Fatima Ali, a cocoa grower from Western Ghana and president of Kuapa Kokoo cooperative, finds that cocoa should be treated as a business. Some of the challenges that growers find in her region include the effects of climate change, low cocoa prices, and inefficient technical assistance. In her opinion, embracing cooperatives requires courage, and it is possible to improve communication with growers with technology.

Awa Traoré Bamba is the director of Coop Cayat, a Fairtrade and Rainforest Alliance certified cocoa coop in Côte d’Ivoire with 2,343 members (only 11 per cent of which are women). The coop was started in 2010 to help growers gain access to credit, establish commercial partnerships, fight poverty, and promote sustainability. Activities to increase productivity among growers include integrated handling, certified fertilizers, and trainings on good agricultural practices. Gender equality is a focus of the cooperative and they promote food safety and guarantees cocoa quality. According to Awa, it is important to diversify the coop’s activities and involve youth in order to achieve continuity and sustainability.

Ana Paula Souza heads a coop based in Brazil’s Bahia state and explained that dealing with people and the community is the group’s greatest challenge. Her coop has 1,400 members, all of which are smallholders (by Brazilian standards, with an average farm size of 20 hectares). The coop sells inputs to growers, offers technical assistance and GAP training, and buys the members’ production. Although Gandu is a model in the region, there are still challenges to overcome, such as educational barriers and the need for better communication between the coop and the growers. It is crucial for smallholders to work in collaboration and to produce higher quality cocoa for better access to markets and better prices.

Guilherme Moura, president of Brazil’s Agriculture Federation of Bahia State (FAEB), explained that the federation represents growers at the state level. It is an institutional organization, similar to a union. FAEB’s mission is to represent growers and promote dialogue with other entities. Guilherme thinks that technology can transform the cocoa sector and that the “cabraça” system is an environmental asset, which can be leveraged for better financial returns for farmers. Guilherme said it is vital to treat cocoa production as a business, and that good agricultural and management practices are needed to increase productivity. In his opinion, Brazil lacks technical assistance and rural extension agents due to the sheer geographical size of the country and of the different states.

The discussion established that challenges faced by growers are similar across geographies and that farmer organization models, such as cooperatives, are extremely important to:

• Join smallholders together and strengthen their voice in the supply chain.
• Provide access to inputs, disseminate knowledge and offer technical assistance, notably to improve growers’ incomes and help preserve the environment with higher productivity.
• Open new markets for products, notably through certification that can help cocoa growers obtain better prices for their product.

Cross-Regional Learnings to Support Well-Being of Youth in Cocoa-Growing Communities

This session offered the opportunity for participants to share learnings concerning the well-being of children and youth in cocoa producing areas around the world. Panelists discussed the issue of child labor, which remains a reality and a major challenge in several cocoa-growing countries.

Maria Yvelonia dos Santos Barbosa presented Brazil’s Program for Eradication of Child Labor (PETI), a federal multisectoral program that works in close collaboration with state and local governments to eradicate child labor through a series of activities focused on healthcare, education, culture, and sports. The program notably involves social work with families, income transfer, access to youth employment opportunities, and partnerships with private companies. According to Maria Yvelonia, public-private partnerships in supply chains that strengthen PETI results are better when the private sector supports local public programs against child labor. Maria Yvelonia added that child labor is somewhat cultural in Brazil, so PETI strategically works to inform and mobilize communities wherever child labor is identified, on top of protecting children and monitoring the process.

Nick Weatherill presented Ghana’s Livelihood Empowerment Against Poverty (LEAP) program. LEAP provides those living in extreme poverty with income transfer, educational services related to household nutrition, and access to healthcare. This provides an adequate environment that indirectly tackles child labor. LEAP started in 2008 in 21 districts, working with 1,654 households, and today reaches 203,000 households in 254 districts, including cocoa-growing areas. The program reports show several improvements on education, health, and the local economy, while helping to avoid child labor and emigration. However, LEAP does not reach most cocoa-growing regions in Ghana with a high risk of child labor since they are not considered areas of extreme poverty.

Taco Terheijden presented some of Cargill’s programs in Côte d’Ivoire and mentioned that the cocoa industry should have a role in collecting and analyzing data and findings in order to prevent child labor. This should be on top of direct remediation and actions for community development. The strategy must be holistic and integrated since the issue is very complex. Taco also introduced Cargill’s “Na Mão Certa” (In Good Hands), a program targeted at truck drivers to raise awareness on sexual abuse of children and teenagers on Brazil’s trucking routes.

Claudia Guimarães stressed the importance of good partnerships for better impact and shared a few examples of the work developed by the Jacobs Foundation worldwide since 1989. The Jacobs Foundation strives to improve living conditions of children and teenagers through primary education and employability for youth. In Brazil, the Foundation works in vulnerable areas, offering full time schools and access to high quality education for children, plus training of teachers. Claudia’s view is that child labor is a highly complex issue that must be tackled by specialists. The private sector can collaborate by investing in public policies and local communities, sharing learnings, and coordinating efforts for shared accountability.

The session concluded that quality education is key to prevent child labor across geographies, and although the issue is very complex, there are good examples of public-private partnerships and company programs that help to improve living conditions and tackle the issue in cocoa growing communities around the world.
Jean-Yves Couloud
Jean-Yves Couloud presented the Gender Marker, a self-assessment tool that helps development programs and businesses monitor and measure gender integration inside their organizations, using a simple, four-step grading system. The tool helps increase the effectiveness and gender equity of different programs.

Boukje Theeuwes
Boukje Theeuwes presented GENDER ABC, a project being developed in Africa to narrow the gender gap in communities growing cocoa and other crops, where:
A = Address barriers to participate
B = Balance gender relations
C = Create togetherness
Boukje mentioned that although there are increasing numbers of women accessing productive assets and trainings, sometimes they are still prevented from participating in political and/or strategic decisions and leadership positions. She pointed out the need for systematic changes and innovation to address the issue.

Anne-Marie Yao
Anne-Marie Yao presented the successful Women’s School of Leadership program, that has run in Ghana and Côte d’Ivoire since 2017. The program coaches and mentors women in cocoa-growing communities on management and negotiation skills, building confidence, and awareness of human rights. The objective is to help participants start their own businesses and become leaders in their communities. The project has empowered dozens of women to transcend legal, social, and cultural barriers. According to two alumni of the program, the experience has been transformative, helping them to be more confident and to access/demand respect for their rights. Anne-Marie concluded by explaining that when women reach positions of leadership in their communities, i.e. as coop leaders, more women are inspired to get involved, i.e. by joining the cooperative, starting a virtuous cycle.

Awa Traoré Bamba
Awa Traoré Bamba, a cocoa grower herself, explained that managing production costs of and diversifying crops are not enough. Notably, there is the need for an “enabling environment” outside of the farm to support growers and pave the way for better incomes, in many cocoa origins. The panelists emphasized that “productivity alone is not enough.” More needs to be done and companies should look for ways to effectively collaborate, including multi-stakeholder and precompetitive platforms, facilitated dialogues and other approaches.
Farm-Level Incentives for Forest-Positive Cocoa

During this interactive session, three experts presented their views on incentives for forest-positive cocoa and challenged the audience with a question at the end of their presentation. Audience members were invited to discuss their ideas in small groups and submit feedback.

Keylah Borges, a US agronomist with over 10 years of experience with cocoa production in the Amazon region and leader of a co-op that assists over 600 farmers, talked about the growers she works with. They have on average 10 to 150 hectares of land, low education levels, and low access to mechanization. They are spread over large areas of land and are mostly isolated due to bad infrastructure and bad roads. She mentioned the fundamental importance of technical assistance to increase productivity levels and promote collaboration. She gave the example of projects developed with Solidaridad that changed the game by increasing productivity in every region where it was implemented. Keylah added that her co-op promotes agroforestry systems for cocoa, using fruits, vegetables, and other crops in order to prevent deforestation, increase diversification, and restore the forest.

Peta Heid presented a joint project developed with Chocolats Halba and Ecuador’s UNOCACE coop. Since 2016, the project has worked closely with farmers to transform degraded pasture land into highly productive cocoa areas without using monoculture. Cocoa is planted in association with shade trees such as fruit and timber species and subsistence crops like cassava, beans, pumpkin, and other vegetables in an agroforestry system. Studies of production costs in traditional monoculture in comparison to agroforestry conducted over a period of five months showed that agroforestry generated profits to the farmer, notably due to other sources of income. To Peta, the integration of cocoa production and nature is obvious, but the challenge resides in the intensive follow-up required with farmers over a long period of time. The project approach indeed needs to be fully understood in order for the farmers to implement it. It is a long and complex process. She challenged the audience to tackle this specific issue.

Wendy Arenas Wightman presented Colombia’s Cocoa, Forest, & Peace Initiative, which followed the Peace Treaty signed with FARC rebel forces in March 2017. The Treaty resulted in approximately 7,000 FARC members demobilized. The initiative prioritized 170 municipalities of post-conflict areas, working toward the replacement of illicit crops such as coca with cocoa, new agricultural and environmental zoning on 23,000 hectares, with 15,000 rural families benefitting from the Initiative. Next steps for the Initiative include multi-stakeholder workshops to achieve more collaboration. Wendy challenged the audience to answer the challenge of perceived zero-sum game outcomes, or how to scale up the program without having winners and losers, based on the fact that some of the farmers will get incentives and others will not.

Audience members presented ideas such as:

• Plan strategies and investigate potential losers.
• Work with all growers and find innovative ways to do so, such as collective assistance.
• Consider technical assistance as an investment, not a cost.
• Define a “minimal ideal”: reach the majority of all growers with the basics of information and skills needed instead of reaching only a few with extensive knowledge over every issue.

Cocoa Health, Flavor, Genetics: Theory & Adoption Challenges

During this interactive session, three experts presented their research on specific topics and challenged the audience with a question at the end of their presentation. Audience members were invited to discuss their ideas in small groups and submit their feedback.

Jean-Philippe Marelli presented data on diseases caused by cocoa diseases worldwide. It is estimated that approximately 38% of the annual cocoa crop is lost to pests and diseases. Some diseases such as witches’ broom and frosty pod have the potential to cause catastrophic crop loss, and others such as CSSV in West Africa can lead to complete crop collapse. The researcher also mentioned that witches’ broom, identified in Suriname in 1895 and in Ecuador in 1915, arrived in Bahia, Brazil only in 1989, almost 100 years after being identified for the first time. Monilia was first reported in Ecuador in 1918 and has been spreading through Central and South America since then, with recent reports in Jamaica and Bolivia. Monilia “travels” through clothing and shoes, and although close to the border, the disease has not yet reached Brazil. He mentioned that several actions could be taken to prevent spreading cocoa diseases, such as efficient sharing of information about diseases, country border controls, expert scouting teams, increased research and better diagnosis techniques, and technology transfer for cocoa growers based on basic GAP and interdisciplinary approaches.

The challenge posed by Jean-Philippe for participants was, “How can we increase education and awareness of the whole sector on the risks of pests and diseases?” The following suggestions were made: government regulations via enforcement and communications at the level of the Ministry of Agriculture, education in rural schools, learnings from public health experiences and development of bio protocols, use of cellphones and other mobile technologies for simple prevention messages, and technical assistance and extension services for cocoa growers.

Richard Aare discussed the Cocoa Fertilizer Initiative developing in West Africa. The sector needs to develop fertilizer recommendations and should start with soil mapping. His sustainability challenge for audience members was: “How do we develop a regional strategy for conservation of cocoa germplasms for long-term security?” The discussion with the audience revolved around continued development of central germplasm stations (such as CEPLAC in Brazil, and CATIE in Costa Rica) together with satellite working collections around the world and the enforcement of quarantine measures.

Cristiano Vilela spoke about the attributes of fine and quality cocoa, emphasizing current trends and innovations in high quality cocoa, such as increase in demand for premium products, with traceability and origin being key for new consumers, long standing trends toward reduced sugar, gluten-free, and lactose-free chocolate, and innovations in cocoa fermentation processes to improve flavor. Cristiano said that consumers are looking for different attributes in cocoa and that the sector could learn from coffee, which has invested in differentiation and specialty features. His challenges to the audience were: “How can the bean-to-bar movement contribute to the maintenance of flavor from a genetics point of view? Is there also a risk of considering the transit of genetic materials among countries associated with this movement? How can the large chocolate industry minimize the risks associated with mass production?” What can they do to secure the supply chain, without losing the flavor?” Groups tackled the first question, and reported back with the following recommendations:

• Select good planting materials, including germplasm, and understand flavor genetics.
• Promote good post harvest practices and train cocoa growers on harvest and processing.
• Preserve local flavors and regional attributes. Rescue original cocoa varieties.
• Develop strong relationships between growers and buyers (skip middlemen).
• Couple preserving fine flavor cacao varieties with flavor evaluation.
Côte d’Ivoire and Ghana are responsible for 60 per cent of the world’s cocoa output. The two countries were represented by officials from the two main government bodies in charge of the cocoa sector, in Côte d’Ivoire and Ghana respectively. The panelists discussed the Abidjan Declaration, signed by both countries in March 2018. The Abidjan Declaration is a joint initiative for sustainability and addresses some challenges of the cocoa sector including better defending the interests of cocoa growers, as well as the economies of Côte d’Ivoire and Ghana, based on a strategic partnership that will define a solution for improving the prices for cocoa producers among other actions. The Declaration will create the conditions for a fair price and a living income for farmers.

The leaders noted that there are common problems in the cocoa sector of both countries that need to be addressed, such as low productivity, competing crops (such as cashew and rubber), and deforestation. However, resources and goodwill are not going to be enough to overcome many challenges, and the involvement of the private sector is important as well.

Tim McCoy mentioned the Cocoa & Forests Initiative, a WCF initiative launched in 2017 that brings together governments and companies to work toward sustainability in the cocoa supply chains of Côte d’Ivoire and Ghana by eradicating deforestation and promoting models for forest protection and restoration. Both spokespeople agreed to accelerate investments in the sustainable production of cocoa, with an emphasis on “growing more cocoa on less land.”

It was noted that the cocoa industry in Ghana has been challenged by illegal gold mining that attracts farmers that causes deforestation, erosion, soil pollution, and health issues related to the use of mercury, unsafe working conditions, and violence. Low productivity (450 kilograms per hectare on average) and the conversion of cocoa areas to other products, which growers find more profitable and easier to cultivate, are among other challenges facing the cocoa sector. In Côte d’Ivoire, diversification efforts like food crops, intercropping, and agroforestry systems are important for sustainability, helping cocoa farmers gain from other income generating activities.

The two leaders concluded the session by noting that:

“Cocoa changes the lives of farmers.”
“Cocoa is a real passion.”
Day 2: Building the Future We Want
Opening Remarks

Laerte Moraes

The introduction by Gold sponsor Cargill presented the company’s many commitments to sustainability in cocoa and other commodities. Cargill is part of WCF-led CocoaAction Brasil and is partnering with UTZ to help Brazilian cocoa farmers become certified. They are also part of the “Na Mão Certa” campaign to prevent sexual exploitation on truck driving routes in Brazil. Cargill believes in collaboration and multi-stakeholder programs for broader impact. The company has been active in Brazil since 1965 and started to work with cocoa growers in Ilhéus in the late 1980s. Cargill currently has 23 industrial plants and over 10,000 employees in Brazil.

Agricultural Sustainability and Biodiversity 2030

Marcelo Furtado introduced the discussion by drawing the picture by current trends shaping the agricultural sustainability landscape: climate change, land use, rural exodus of youth, and healthier consumer diets. He explained the need to “dream big” and “set the bar high” when discussing these challenges and opportunities.

Brazilio Ferreira De Souza Dias made a strong plea for the protection of biodiversity and took us back to millions of years ago, when Theobroma Cacao was born in the Amazon basin. We know of 22 species of Theobroma, but only 11 are present in Brazil. The highest level of genetic diversity is found in the upper Amazon areas (Northern Peru, Ecuador, and Colombia). In Brazil, cocoa production relies on a narrow genetic base. Approximately only six per cent of the genetic diversity is being used by the industry, with 94 per cent still untapped. This puts the crop at risk, notably when it comes to the largely unknown impact of climate change. On top of the conservation of Theobroma Cacao for future generations, two commercial opportunities linked to genetic diversity are still untapped by chocolate makers: cocoa flavors and nutritional value linked to the various tree types. Braulio strongly encouraged the sector to take advantage of the excellent gene banks available, such as CATIE (Costa Rica), ICGT (Trinidad and Tobago), ICQC (UK), and the large germplasm collections managed in Ecuador and Brazil (CEPLAC).

He explained that, with the decline in public funding to support these gene banks worldwide, the private sector should step up and collaborate to ensure they can benefit from this important work, now and in the future.

José Carlos Polidoro presented data illustrating the evolution of Brazilian agriculture from a strategy based on food security to a world-leading science-based economic sector. Forty years ago, Brazil still had to import food. Thanks in part to large investments in tropical agriculture science, Brazil now feeds its population of 207 million and is one of the world’s largest exporters of grains and other agricultural commodities, while leaving 66 per cent of its territory untouched, including conservation areas with native flora and fauna, indigenous land and protected land inside rural properties.

José Carlos explained that conserving biodiversity, soil, and water, can be achieved through sustainable rural development based on the integration of crop, livestock, and forest in productive and carbon negative systems. José Carlos added that Embrapa is working on a cocoa agroecological zoning project in Pará. The institution sees cocoa as a driver of reforestation on degraded pasture land. Embrapa has also been going through a process of internal transformation, looking for ways to work more closely with the private sector and be more efficient. The agency wants its research and technology to benefit all the countries that rely on tropical agriculture, not only Brazil.

The discussion that followed tackled the following issues:

- Economic incentives should replace a penalty-based system for environmental conservation,
- Mainstreaming science and mechanization will guarantee the future of agriculture by improving gender equality and attracting young people to the sector.
- More transparency, collaboration, and sharing of data between the public and private sectors needs to happen. “Big data” and the consolidation of existing data from research institutes and companies will lead to better solutions.
- New financing sources for public research must be found within the private sector and philanthropy. Research entities cannot solely rely on steadily declining public funding.
- To mitigate climate change, the sector must invest in forests and agroforestry systems.
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- To mitigate climate change, the sector must invest in forests and agroforestry systems.
Brazil, Vietnam, and Colombia are three success stories in the coffee business. Brazilian coffee production increased by 50 per cent over ten years, reaching a record output of 60 million bags in 2018. This was achieved without any expansion of the planted area, which actually fell between 2006 and 2013. Brazil managed to obtain a productivity growth of 44 per cent, from 16 to 23 bags per hectare (national average). Thirty million bags of coffee are exported each year and, one-third of it is sustainable and specialty coffee. The country also has a healthy domestic market and consumes 22 million bags per year. Brazil is known for its dynamic ‘arabica’ and ‘robusta’ coffee production. This Brazilian success story is due to an ongoing technological revolution: new varieties, improved agricultural practices, new harvesting techniques and cutting-edge post-harvesting technology. Density of planting went from about 1,000 to over 4,000 trees per hectare. But this technological revolution also happened thanks to an enabling environment with efficient extension services provided by state governments and cooperatives, strong partnerships such as the Global Coffee Platform bringing together growers, trade and industry, strong farmer organization (cooperatives and associations), and well-organized supply chains and markets for coffee, inputs, and equipment.

It is important to note that there is a direct link between investments made by farmers and increases in coffee production. Similarly, farmer investments depend on the percentage of export price that reaches growers. In Vietnam, Brazil, and Colombia, 80 to 90 per cent of the export price reaches farmers, while this figure can be as low as 40 per cent, and often 50 to 70 per cent in many countries. As a consequence, productivity in Vietnam, Brazil and Colombia averages 30 bags per hectare (1,800 kilograms per hectare), while other coffee producing countries have much lower productivity at 10 bags per hectare (600 kilograms per hectare). Carlos Brando emphasized that access to training, fertilizers, planting material, research, and technology is not enough to increase productivity. Growers also need support beyond farm gates. This enabling environment is in effect in Brazil, Vietnam, and Colombia and a few other producing countries, and allows for productivity growth, transfer of export value to growers, and the implementation of sustainable practices.

These findings are applicable to cocoa. Technology may be available but results on the ground are heavily dependent on the enabling environment beyond the farm gate (extension services, farmer organizations, efficient supply chain, financing, logistics, etc.). In addition, an efficient enabling environment ensures that sustainability initiatives reach beyond the direct beneficiaries and have lasting impacts, with methodologies incorporated into the business.

Current opportunities in Brazilian cocoa include the country’s status as a leader in the areas of reforestation and biodiversity preservation by cocoa through the country’s agroforestry and cabruca production models. Recent developments in the sector in Pará also hold promise for modeling much higher farm-level productivity. Challenges include a domestic supply gap that means Brazil must import approximately 70,000 tons of cocoa annually, low productivity on smallholder farms that ranges from 200 to 500 kilograms per hectare, too few farmer organizations and low farm incomes, and pest and disease threats.
The Partnership Meeting marketplace featured a range of innovations in relation to the three themes of Farmers of Tomorrow, Forest-Positive Cocoa, and Pathways to Productivity. Audience members were able to network and exchange with the following exhibitors:

**Barry Callebaut**: Innovations in Cocoa Mechanization  
**CARE**: Village Savings and Loan Associations  
**CATIE**: Breeding, Agroforestry and Education for Cocoa  
**CIAT**: Climate Exposure, Soil, and Heavy Metal Maps  
**Cocoa Innovation Center**: Research to Develop Bahian Cocoa  
**FCCI**: Education to Achieve Cocoa Quality  
**HCSA**: High Carbon Stock Approaches  
**IITA Cameroon**: Adoption and Scaling  
**IITA Ghana**: Canopy Cover Calculator  
**Imaflora**: Monitoring Deforestation on Amazon Cocoa Lands IMAFLORA  
**Lutheran World Relief**: Mobile Cacao  
**Makita**: Tools and Equipment for Cocoa  
**Plant for the Planet**: Offsetting Carbon Emissions by Tree Planting  
**South Pole**: Carbon Calculations for Forest Protection & Restoration  
**TechnoServe**: TAPS and Efficient Fermentation Mills

Buddy Buruku presented the business case for the digitalization of cocoa transactions. She started by sharing data about the projected increase in mobile phone use. It is estimated that an additional 81 million phones in Latin America and 193 million phones in Sub-Saharan Africa will be in circulation by 2025. Mobile phones drive digitization, which in turn brings financial inclusion. Farmers equipped with mobile phones have more access to credit and to financial services, even if they do not have a bank account. Buddy explained that there are currently around 95 million ‘unbanked’ adults globally receiving agricultural payments in cash.

Digitizing cocoa payments involves challenges such as slow adoption by farmers, difficulty putting in place an infrastructure for converting e-payments to cash in remote areas, and cost of initial farmer registration and pilots.

Despite these difficulties, expected benefits from digitization for farmers include:
- Savings due to less loss of money, economies of scale.
- Instant or fast payment.
- Security (no need for farmers to carry large sums of cash).
- Transparency.
- Financial inclusion.

Data collected and analyzed by Buddy in Ghana shows that 65 per cent of incoming digital payments are related to cocoa. For outgoing payments made by farmers, 15 per cent are related to farm workers, 12 per cent to schools and 10 per cent to inputs. Cargill is an example of a company paying all of its partner cocoa growers via digital services. Other examples of digital services pilot projects include the flower sector in Tanzania, where an organization registered savings of around 6,000 working hours (related to transportation to make direct payments for growers). Another pilot in cocoa in Ghana avoided cash losses of USD 382,000 because there were no robberies or loss of cash.

The examples presented by Buddy showed that digitizing payments are beneficial for both cocoa growers and buyers and can be an alternative method of payment in unbanked communities, small villages, and regions with poor infrastructure.
This panel discussed opportunities to support forest-positive cocoa initiatives with green finance tools. Experts from South Pole, IFC, and 12Tree shared specific examples of financial instruments that have been used by the cocoa sector. For instance, the plantation renovation project lead by Chocolats Halba in Ghana, which involves 1,000 farmers using climate finance tools. 12Tree offered the example of large projects in Central and South America and the Caribbean, including shade-grown cocoa and agroforestry initiatives.

Wilson Vaz de Araújo explained that rural credit has been the main mechanism of access to credit in Brazil for the past 50 years or so. And, since 2010, the ABC Plan (Low Carbon Emission Agriculture) has also been in place, offering differentiated financing conditions for growers. So far, the ABC Plan has allocated USD 8 billion and lent USD 5.5 billion, with a 12-year term for payment, and in the case of cocoa, a special grace period of eight years. This financing option is available to agroforestry production systems, commercial forests, degraded pasture lands recovery projects, and crop-livestock-forests models. Up to USD 1.5 million can be financed by the farmer in the ABC system.

Wilson mentioned that many funds are available in Brazil (around 27 lines of financing) and a more organized analysis should take place to know their effective reach. There is a lack of monitoring and evaluation of such funds, and in the majority of cases, there are funds available, but a lack of good projects.

Vico Iasi interviewed cocoa farmers from five different origins of Belize, Brazil/Bahia, Brazil/Pará, Côte d’Ivoire, and Ghana during this last round table of the Partnership Meeting.

Ruth Moloney is originally from Australia and was previously a cocoa buyer. She moved to Belize a few years ago to become a cocoa grower. She is applying new technologies to her property such as high-density planting and irrigation and is about to harvest her first crops. Ruth mentioned that although she has a good education and experience with the cocoa buying process, she has found it challenging to access the resources necessary to manage and operate her cocoa farm.

Henrique Souza owns 20 hectares of land in Bahia, where he grows cocoa in an agroforestry system. Cocoa is planted with the tropical fruits açaí and jackfruit and nuts, providing a diversified source of income. His agroforestry farm naturally “feeds” itself and less inputs are required. The plantation also captures carbon dioxide, helping to cope with climate change. In Henrique’s opinion, his farm is profitable because he planted cocoa alongside other crops. He noted that he can obtain a premium price for his high-quality and organic cocoa.

Keylah Borges has five hectares of cocoa land in Brazil’s Pará state, also featuring an agroforestry system with native trees and averaging cocoa productivity of 700 kilograms per hectare. She has also been using cocoa to recover degraded lands. In her opinion, agroforestry systems are the best production models for the region. She explained that technical assistance and extension services are essential. Keylah is the president of a local cooperative with 150 members representing 300 hectares of productive land. She considers that some of the challenges of cocoa production in her region are logistics (poor access, bad roads) and low productivity.

Catherine Yah is a smallholder farmer from Côte d’Ivoire who owns a property of one and a half hectares. She explained that, until recently, women could not own land in her country and that things are starting to change. She sees great promise in the adoption of new technologies that she learned about during the Partnership Meeting.

In Ghana, Lucy Addai-Poku grows cocoa on a small farm of two and a half hectares. She described how price volatility is affecting growers everywhere. In her opinion, cocoa mechanization would be a good opportunity for her country’s cocoa sector. She referenced the cocoa pod breaker and other equipment that could lead to reduced use of labor.
Two Plant-for-the-Planet youth ambassadors, together with the executive director for Brazil, presented this global movement that advocates the planting of trees to fight the effects of climate change. The initiative, started by nine-year-old Felix Finkbeiner in 2007, aims to plant one trillion trees worldwide. There are currently 70,000 Plant-for-the-Planet “climate justice ambassadors” in the world. Their tree counter shows that over 15.2 billion trees have been planted as of November 2018.

Rick Scobey shared his reflections on the two-day event, noting the high participation of cocoa farmers from West Africa and Central and South America and the considerable private sector presence.

Rick mentioned that the 2018 Partnership Meeting featured an atmosphere of collaborative action with governments, private sector, growers, and partners. He also thanked all the high-level, engaging, and provocative speakers and moderators. Rick used the popular Brazilian saying, “Água mole em pedra dura, tanto bate até que fura... to illustrate how collective action will bring about change in the cocoa sector. He concluded by announcing that the 2019 Partnership Meeting will be held in Berlin, Germany, on October 23-24.
A Global, Sustainable Event

With a vision of a sustainable and thriving cocoa sector – where farmers prosper, cocoa-growing communities are empowered, human rights are respected, and the environment is conserved, WCF made a concerted effort to ensure the 2018 Partnership Meeting was a sustainable, environmentally-friendly event.

The sustainability actions taken at the Partnership Meeting link to the following 2030 United Nations Sustainable Development Goals:

- No plastic items were used at any time during the event
- Served condiments and beverages in bulk
- No pre-filled water glasses
- Increased electronic signage
- Used sustainable materials for badges, lanyard, and other signage
- Reduced printed materials (100% app use!)
- All food waste was recycled and turned into compost and water
- Incorporated local/sustainable food on the menu

Thank You to our Sponsors

The 2018 Partnership Meeting was made possible by the generosity of our sponsors

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We are pleased to share the following messages from our Partnership Meeting sponsors:

Visit Barry Callebaut’s website for more information on the company’s sustainability efforts.

Read Cargill’s Cocoa Promise Report and learn more about how we are improving farmer livelihoods, enriching communities, and serving our customers with high-quality products. Learn more about Cargill in Brazil, Cacau Fertil, and Cadeia Cacau.

Learn more about how CasaLuker uses chocolate as a tool for change.

Visit Ecom’s website for more information on the company’s sustainability efforts.

The Hershey Company recently launched a new holistic cocoa sustainability strategy, Cocoa For Good, that addresses the most pressing issues facing cocoa-growing communities. Through a half-a-billion-dollar commitment by 2030, Hershey hopes to bring positive change in these cocoa areas through collaborative programs, partnerships and significant investments.

Visit Mars Wrigley Confectionery’s website for more information on the company’s sustainability efforts.

Visit Mondelēz International’s website for more information on the company’s sustainability efforts.

Learn about the extensive work Olam Cocoa does around the world to champion cocoa sustainability and tackle sustainability challenges.
Visit the WCF website and social media accounts for more information:

www.worldcocoa.org  

See you in Berlin!  

Join us for the 2019 Partnership Meeting in Berlin, October 23-24