World Cocoa Foundation
2015 Partnership Meeting & Cocoa Sustainability Trade Fair

Proud of Our Past,
Focused on Our Future

Meeting Summary
Washington, D.C.
June 30 – July 1, 2015
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Executive Summary

Dear Colleagues:

On June 30 and July 1, 2015, more than 300 leaders in the global cocoa sustainability community, representing 25 countries, gathered in Washington, D.C., for WCF’s 27th Partnership Meeting & Cocoa Sustainability Trade Fair. This year’s meeting coincided with WCF’s 15th anniversary. Our theme, “Proud of Our Past, Focused on Our Future,” served both as an opportunity to reflect on accomplishments and as a call for accelerating efforts to achieve sustainability in the chocolate and cocoa sector.

Following the precedent established after the 2014 Partnership Meeting in Copenhagen, we are happy to provide you here with a summary of the rich and candid discussions that took place in Washington.

Each of us naturally retains our own memories of the highlights from the 2015 Partnership Meeting. For me, four key themes emerged as I listened to the discussions and reflected on the meeting after its conclusion:

1) Closer Alignment with the Public Sector in Africa: I was particularly impressed with the personal engagement by some of the most influential public sector leaders in Africa, including Massandjé Touré-Litse, director-general of Le Conseil du Café-Cacao, and Stephen Opuni, chief executive of the Ghana Cocoa Board. Their perspectives on the changing nature of cocoa farming in their countries provide us with valuable information on how future programming at the farm level might achieve greater results.

2) The Importance of Partnerships: The multi-lateral community was very well represented by Simeon Ehui from the World Bank Group, whose increasing interest in the cocoa sector is especially welcome news. Industry leaders, including WCF Chairman Barry Parkin and WCF Secretary/Treasurer Terry O’Day, also reminded us about the crucial importance of industry alignment on key, non-competitive aspects of sustainability work, and provided personal examples of this through the central roles they have played in creating the CocoaAction strategy. Longtime supporters in the donor community, including from the U.S. Agency for International Development, U.S. Department of Agriculture, Bill & Melinda Gates Foundation and the Jacobs Foundation (our latest major donor partner), stressed the central importance of the public-private partnership model. They also touched on new and evolving areas of focus, namely gender empowerment, climate change and crop diversification. Dana Hyde, CEO of the Millennium Challenge Corporation, another new partner, brought a new voice to our discussions.

3) Tackling the Challenges of Community Development, Including Child Labor and Women’s Empowerment: Together, we explored ways to amplify CocoaAction’s impact on community development and benefited greatly from thoughtful insights provided by representatives of industry
and civil society. Eric Biel, from the U.S. Department of Labor, deftly touched on one area of community development by announcing new funding from the U.S. government to reduce child labor. The U.S. Deputy Secretary of Agriculture, Krysta Harden, made an impassioned plea for the global agricultural industry to help women achieve greater access to land ownership.

4) Productivity in the Era of Climate Change/Climate-Smart Cocoa: Climate change is by no means a new topic, but we were perhaps introduced in a new way to recent climate research and data, thanks to a riveting presentation by David Titley from The Pennsylvania State University. The sector is now called to look at how cocoa will respond to climate change and to develop adaptation methodologies, including climate-smart agriculture models that allow for continued increases in productivity. Of course, productivity features prominently as one of CocoaAction’s other major focal points (alongside community development). Industry analysts and practitioners spoke about methods for improving yield, including through climate-smart cocoa, as well as farm-level profitability, while underscoring the need for impact measurement and data collection. These discussions greatly benefited from the perspectives shared by cocoa farmers who joined us from Côte d’Ivoire and Ghana.

Without question, one of my favorite highlights from this year’s Partnership Meeting was our gala dinner, held at the beautiful National Museum of Women in the Arts. I was deeply moved by the opportunity to join Barry Parkin, Massandjé Touré-Litse and Stephen Opuni in honoring so many cocoa sustainability leaders [See Annex 2] from around the world who have supported WCF since our inception. I will always remember this very special part of WCF’s 15th anniversary year.

As always, thank you for the support, encouragement and, yes, constructive criticism that you provide to the World Cocoa Foundation. Your voices are heard, not only during the Partnership Meeting, but throughout the year and serve as a call for us to never let up as we strive to achieve our farmer-focused mission. Looking ahead, I invite you to visit the WCF website at www.worldcocoa.org to access more information on our 27th Partnership Meeting & Cocoa Sustainability Trade Fair. I also ask you to mark your calendars now for our next Partnership Meeting, to be held in Abidjan, Côte d’Ivoire, October 26-27, 2016. I hope to see you there!

Bill Guyton
President
“In addition to understanding our member companies’ needs and priorities, WCF has always endeavored to put the farmer’s voice at the center of our organization’s work.”

BILL GUYTON
Opening Remarks

Speakers:

**Barry Parkin**  
Chairman, World Cocoa Foundation

**Bill Guyton**  
President, World Cocoa Foundation

WCF has learned from its past, and is focusing efforts to better respond to farmers’ needs. Its member base has expanded, new partnerships have been formed, and most importantly, WCF has been able to reach a larger number of cocoa farmers. Bill Guyton shared the feedback from members regarding what they look forward to seeing from WCF, including accelerating efforts in cocoa sustainability, strengthening relations with producing-country governments, building transparent monitoring and evaluation frameworks, and growing the organization’s membership. Over the past year, WCF has convened CocoaAction, which strives to align the cocoa and chocolate industry and producing governments on key strategies for cocoa sustainability.

Although hundreds of thousands of farmers have been trained in the last five years, work is left to be done on challenging issues in order for transformational change to occur. These challenges include lack of information about good agricultural practices, insufficient access to improved planting material and inputs, inadequate educational infrastructure, gender inequality, and the persistence of child labor. WCF member companies have been working to modify their programs in scope, depth and content to address these challenges through CocoaAction. However, the industry must not wait for perfection to block further progress. Barry Parkin urged more stakeholders to become involved, either by partnering with WCF or using lessons learned to adapt their practices for the future of cocoa sustainability.

Over the next 15 years, WCF and its members are committed to working together to effectively address community and farm-level challenges. A few of the goals the industry is aiming toward include ensuring there are a million or more professional, self-sufficient farmers earning a good living and reinvesting in their farms; advances in science and technology regarding climate-smart planting material; increased access to education for children; an increase in cocoa-based consumers around the world; and thriving cocoa-producing communities attracting the next generation of farmers.

Barry Parkin opens the meeting
The cocoa industry has evolved from focusing solely on research-oriented projects toward a holistic, sustainable approach, with partnerships formed across the value chain. Private sector involvement in sustainability at the community level has also evolved to encompass a much broader scope and approach. For example, the challenge of child labor was previously seen as an independent issue, whereas now, approaches are integrated into collaborations and projects with farmer families. Kip Walk spoke about the importance of long-term partnerships with family businesses. Lessons learned have shaped how companies are now designing, implementing and measuring projects. Andy McCormick spoke about the increasing use of emergent, cost-efficient technologies within project implementation. The increasing role of partnerships and alignment has been beneficial, as all stakeholders can share a vision and bring their unique insights and expertise to the table. All panelists spoke about the importance of learning, trust, transparency, and accountability for partnerships within the cocoa industry to be successful and sustainable. Taco Terheijden urged members toward action-oriented approaches that not only are theoretically sound but most importantly, practical in the field.

Global cocoa production has increased from 1.2 million to 4 million tons per hectare per day, supporting the livelihoods of approximately 2 million rural West African households with average yields of 415 kilograms. Despite the crop’s economic importance, there are still challenges that remain within producer countries, where some 40% of the population live in poverty without access to basic services and infrastructure. Simeon Ehui highlighted key challenges within cocoa production, which include low farm productivity, climate change, and price volatility. The World Bank Agriculture Sector Support Project has invested $800 million for 2014 to 2023 in a public-private partnership model in Côte d’Ivoire to improve access to markets, sustainable cocoa production, capacity building, and provide institutional enhancement. However, Ehui stated, “this is a modest investment, a lot more can be done.” The World Bank Group is working with Ghana Cocoa Board and the private sector on a strategic planning exercise through the Ghana Cocoa Sector Development Strategy. In addition, through the Forest Investment Program, with $30 million from the World Bank Group and $8 million from the International Finance Corporation, initiatives under the Reducing Emissions from Deforestation and Degradation (REDD+) mechanism are underway.

Ehui spoke about the need to empower farmers and to provide them with the tools needed to enhance their productivity and improve their incomes. Specifically, there is a need to increase income for farmers, develop farmer organizations, increase access to finance and inputs, promote certification schemes, and increase research and development. Research shows that there is a strong correlation between agribusiness development and human development. Ehui stated that the industry must address social and economic issues related to cocoa production including poverty, climate change, and environmental degradation. He emphasized the need for
collaboration by all stakeholders – the public sector should provide information, research, land reform, and education and the private sector should play a leading role in increasing access to inputs, extension services, and training. The World Bank Group stands ready to support these strategies in sustainability and innovation.

Changing Perspectives in Cocoa Sustainability in West Africa

Moderator:
Barry Parkin
Mars, Incorporated

Panelists:
Massandjé Touré-Litse
Le Conseil du Café-Cacao
Stephen Opuni
Ghana Cocoa Board

This session focused on the two leading cocoa producers in the world, Côte d’Ivoire and Ghana. Massandjé Touré-Litse spoke about the need to transform farmers into self-sufficient and autonomous business men and women who collaborate with WCF but who are not dependent on the private sector. She also stressed the importance of access to education for children, a renewed youth workforce, and the role that women can play in all areas of cocoa production, including improving productivity and soil health.

Stephen Opuni spoke about the challenges of aging cocoa plantations and farmers in Ghana, as well as the inadequate supply of fertilizer due to low farmer incomes. Low productivity rates, competition with other cash crops due to price fluctuations, and illegal gold mining activities have resulted in increased environmental destruction. Sustainability within cocoa production requires reaching the optimum price for cocoa, to be determined by all stakeholders. Opuni suggested focusing on cocoa’s nutritional benefits and creating new markets within West Africa in order to increase consumption.

Origin governments see the advantages of the industry coming together through one platform. Both panelists confirmed there is better coordination and less duplication of efforts.
Sustaining production and quality is a key challenge in moving ahead for origin countries, farmers, and industry. To build climate resiliency, efforts are needed to develop hybrid planting materials that are disease and drought-resistant. Farmers need support through training on good agronomic practices, optimum prices, and access to inputs and planting material in order to make cocoa farming attractive and lucrative. Opuni suggested that the development of a local market for finished products by small industry can help farmers become financially independent. A renewed youth workforce, as well as gender empowerment in producer communities, still needs to be addressed. Touré-Litse urged cocoa companies to provide financial support to help develop self-generating income activities, enable women to be autonomous, and increase opportunities for children to go to school.

Lessons Learned: Donor Strategies for Cocoa Sustainability

Moderator:

**Bill Guyton**  
World Cocoa Foundation

Panelists:

**Ginya Truitt Nakata**  
Inter-American Development Bank

**Mark Huisenga**  
U.S. Agency for International Development

**Orin Hasson**  
Bill & Melinda Gates Foundation

Donors see the advantage of forming partnerships with the cocoa industry to work on elevating smallholder farmers. Public-private partnerships are moving away from focusing on the cocoa sector in isolation. WCF’s Cocoa Livelihoods Program (CLP) has a delivery model where companies themselves lead direct farmer outreach and deliver services and inputs to farmers, supported by organizations such as the Bill & Melinda Gates Foundation. One of the pioneering public-private partnership programs was the Sustainable Tree Crops Program, co-funded by WCF and its member companies, along with U.S. Agency for International Development (USAID), and implemented by the International Institute of Tropical Agriculture. This partnership has facilitated further collaboration with private sector partners, something that Mark Huisenga noted is not yet evident in the coffee sector or other industries. Another platform for collaboration is IDB’s AgroLAC 2025, which Ginya Truitt Nakata explained leverages industry funding and expertise to have a holistic impact through market linkages, intensification, and environmental planning activities.

Panelists discussed how donor-to-donor interactions ensure coherence of activities and avoid repeated mistakes. USAID is working with WCF to ensure that lessons learned are brought forward and programs are appropriately redesigned. For instance, with contributions from WCF, Huisenga noted that USAID is now more cognizant of the need to increase their focus on women farmers, children, and protection from pesticides. Orin Hasson commented on learnings from previous experiences of farmer field schools, which helped develop more effective and direct training models.

Questions from the audience focused on how donors are addressing climate change, gender, and impact measurement. Current productivity efforts are helping to build climate resiliency, while anticipated research will need to focus more on varieties adapted to heat tolerance and maturing cycle changes. Panelists spoke about the need to capture more participation levels disaggregated by gender, conducting gender analysis before implementation, and

“No one single person or organization can address the price problem, but if we work together, we can find an equilibrium to make price attractive for cocoa farming.”

*Stephen Opuni* 

Simeon Ehui
training women directly to increase their empowerment within the household. For measuring impact, Huisenga explained the importance of conducting a baseline survey and Hasson suggested using proxy measurements for productivity, such as increased planting material and good agricultural practices.

Moving forward, both Hasson and Huisenga spoke about moving systems downstream efficiently in order to gain adoption and increase in scale. Huisenga cautioned participants to look carefully at how cocoa compares to other staple crops with regard to contributing to capital income and economic growth.

Opportunities & Challenges in Multi-Stakeholder Partnerships: A Look at CocoaAction

CocoaAction has been providing a space for open dialogue, alignment, recognition and participation. Andrew Brooks noted that trust is critical for CocoaAction success, keeping in mind what the common hurdles are, and to always keep a common vision ahead. Panelists agreed that the thought process for project implementation has evolved; CocoaAction companies are asking critical questions aimed at understanding certain processes within a community. Using community assessments, companies can begin to gain a better understanding of farmer choices and risk perceptions.

CocoaAction is challenged to develop innovative approaches for youth engagement, farmer organization and increasing farmer income. The cocoa industry needs to make sure that farmers are receiving improved planting material for the next generation of farmers to get excited about. Work still needs to be done in reaching independent farmers, many of whom may live in remote areas. To address these challenges, CocoaAction will continue to build strong ties at the field level.

15 Years in 15 Minutes

There have been major strides over the last 15 years in developing best practices for monitoring and evaluation, including the use of digital data and farmer business plans. Developing key performance indicators (KPIs) has been a game-changer. The industry can now measure with greater accuracy and provide reliable forecasting tools to farmers. The industry has moved beyond announcing how many people have been trained to determining what the outcomes and impacts of training were. As Nicko Debenham stated, the use of digital data can facilitate data collection and help us learn more intricate details of a farm to help increase the efficiency of activities. With the prevalence of smartphones in producing countries, there is an opportunity to lower costs in data collection and incentivize and train farmers to collect their own field-level data.

The cocoa sector has begun to think about farmers holistically instead of categorizing the cocoa farm as solely an economic unit. As a result, diversification of cash flows and risk management has become mainstream. Debenham presented the idea of using data on all farm activities to create a rating system, which finance institutions can use to help support farmers’ ability to increase finance. WCF members are also beginning to look more closely at improvements in women’s empowerment. Morgan pointed out that as part of CLP, WCF partners are working to increase income-generating activities for women. However, developing
qualitative indicators remains a challenge, especially in terms of SMART (Specific, Measureable, Assignable, Realistic, and Time-related) indicators to measure data such as to whether women are sharing influence.

Panelists encouraged WCF to continue a focus on diversification of food crops and other income-generating activities on the farm. Debenham urged the industry to get to a point where data is embedded into commercial operations to increase capabilities of collecting both visual and verbal data. This needs to be done while mitigating costs as much as possible and using this data to help farmers. As opposed to training farmers without determining level of knowledge, the cocoa and chocolate industry needs to understand each farmer and farm, and this is possible through the use of digital data. WCF should also define key indicators to help develop more marketable farmers, such as by looking at data that tracks farm health, and promoting private sector collaborations.

Gender in Cocoa and Other Commodities

Moderator:
**CATHY PIETERS**
Mondelez International

Panelists:
**MARINA MORARI**
Barry Callebaut

**SARAH ZOEN**
Oxfam

**TAWIAH AGYARKO-KWARTENG**
The Hershey Company

When given the same access to financial services, land, technology, education, and markets, women farmers, growing diversified crops, can help increase agricultural yields and feed 100 – 150 million additional people. To present first-hand perspectives on the challenges and solutions for gender integration at the farm-level, three women cocoa farmers from Côte d’Ivoire shared their experiences during this session. They urged industry and government to seek solutions that divide agricultural activities that allow women to also support productivity and cocoa quality, manage the business, and gain equal access to income earned. They also spoke about cocoa production no longer being an attractive business to both women and men, and especially youth. All three women spoke about the importance of increasing women’s empowerment, and supporting businesses and income diversification for women as well as men and youth.

Women’s role within agriculture is central to CocoaAction’s strategy in cocoa growing communities. The same productivity challenges that farmers face have the same or even greater impact on women, because culturally they are responsible for other household activities. Activities should be designed not only to avoid creating more work, but also to alleviate other tasks in order to allow women to play a greater role in cocoa production. Education can also play a leading role in empowering women...
and future generations. Panelists spoke about the importance of involving men in the discussion for women’s empowerment and identifying key male figures who can act as champions for disseminating gender awareness. By understanding women’s economic, reproductive and community role, it will be possible to develop locally-designed labor-saving strategies.

The challenges that the industry faces within gender are also seen in other commodities. Marina Morari shared how Barry Callebaut is researching time poverty issues, in cases where people are found to be working long hours and have no choice to do otherwise, across different commodities disaggregated by gender, which is then shared back to the community to inspire them to tackle the issue. Sarah Zoen used an example of participatory research being done by Oxfam in coffee growing communities in Uganda, where men and women together identify how household activities are divided, which reveals cultural and social nuances that they were previously unaware of.

From Oxfam’s experience with gender issues, it is a matter of learning and adapting as they go. Measurement in women’s empowerment is still in development, although Zoen suggested asking women farmers themselves if project activities were worthwhile and what impact means to them, in order to gauge project performance and build indicators. Land tenure issues require substantial effort from the government to restructure policy. However, the private sector can support community-led initiatives, such as forms of land agreements between families and traditional leaders which can temporarily help women. The private sector should also get involved in other government programs. Morari shared about government youth programs in Ghana and Cameroon that are creating opportunities for young people by using technology to incentivize youth to see cocoa farming as a viable profession, by providing role models, and by providing education opportunities.
This session focused on research and what role WCF has played in shaping research and development. Collaboration on cocoa research has increased, with a number of international working groups on genetics and pests and diseases sharing different technologies. For instance, two genomic sequences with tens of thousands of markers for important traits which we can manipulate have been discovered, with significant support from companies and the U.S. Department of Agriculture’s Agricultural Research Service. WCF has provided a platform for collaboration and enhancing training in the sciences, such as through the Borlaug Fellowship Program, which links scientists to a chain of experts in their respective fields. Through collaboration, the industry has been able to address issues of mislabeling genetic material, fingerprinting for seed material, and enhanced capacity of countries to increase planting material through new seedling gardens. Breeder working groups have also been established in Africa, Asia, and most recently in Latin America. Moving forward, WCF should play a larger role in germplasm collection at CATIE and Trinidad’s Cocoa Research Centre, which is crucial for cocoa genetic diversity. The cocoa industry can expect major advances between now and 2030 in developing heat and drought tolerant crops, reducing mislabeled planting material, advances in ecological principles and sustainability together with improved technologies such as dataset mining and GIS for ecological research.

“What we understand now of plant genetics is literally light years ahead of what we knew in the early 2000s.”

Ray Schnell
“I cannot imagine the fear and frustration of women around the world where land cannot be transferred to them, even though they work it and care about it. We as agriculture industry, from field to fork, need to help make that change.”

KRYSTA HARDEN
Terry O’Day’s remarks focused on the progress and challenges of CocoaAction and the upcoming trends in the cocoa sector. CocoaAction is a vehicle for progress and transformation to benefit cocoa stakeholders around the world. However, O’Day outlined various reality checks that farmers still face, including depleted soils, urbanization, climate change, pest and diseases, and volatile prices. There is also a lack of mechanization for a labor-intensive crop, and eliminating child labor remains a challenge requiring significant investment and shared responsibility. The industry must use CocoaAction as a tool for focusing on learning, rapid adoption, and measurable results for pushing forward the sustainability agenda.

CocoaAction will require addressing direct trends in the cocoa sector, such as an increased demand for cocoa, increase in demand for business transparency and traceability, and the growing use of low-cost technology. O’Day shared recent successes of Hershey’s CocoaLink program, in which 45,000 farmers, one third of whom are women, have been able to increase production by 40% over 3 years, coupled with increased income and awareness of child labor issues, all by using low cost technology. There is a greater need for youth engagement, mechanization, predictable business planning, access to productive land, vocational education, access to credit, and gender equity.

To address remaining challenges, O’Day commented on the importance of working together. The Energize Learning Program established in Ghanaian school nutrition programs proves how a public-private partnership makes it possible to achieve nutrition goals. Hershey is reaching 50,000 children in the Kumasi and Northern regions through their Vidi bar, which introduced ground nut fortified ingredients for improved nutrition within schools. Hershey is using locally sourced ingredients to improve quality and quantity of the product and applying the shared common performance metrics through CocoaAction.
This session focused on ways that CocoaAction can broaden its current strategy for addressing community development challenges, with a focus on child labor and education. Nick Weatherill spoke about the multi-dimensionality of child labor issues encompassing health, poverty and education throughout different levels. At the community level, it is critical to understand child labor within its context and develop processes that are inclusive and empowering for the community. The International Cocoa Initiative is tracking how communities can leverage resources from their local government. They see promise in how an approach that strengthens a communities’ protective environment while increasing farmer income can contribute to child labor reduction. In addition to community activities, the private sector needs to invest in capacity within their supply chain to identify labor issues and respond. The industry should not underestimate the capacity that exists within supply chains, which already have in place management structures and lines of supervision. Also, governments need to target national policies for scalabilities.

One example of efforts being undertaken to reduce child labor through national policies is in Côte d’Ivoire, which just made education for 6 to 16 year olds compulsory starting next year. The Jacobs Foundation is making investments for education in Côte d’Ivoire and is targeting an increase in access to schools through infrastructure and teacher recruitment. Nora Derrer explained that the Jacobs Foundation is looking forward to seeing how the private sector can take this further.

Panelists spoke about the challenges that lie ahead regarding reaching quality within education and addressing youth inclusiveness. Derrer spoke about the opportunities for using information and communication (ICTs), accompanied by teacher training, to improve learning outcomes. Weatherill pointed to scalability issues that need to be addressed, including lack of infrastructure, high opportunity costs for child work, and low data collection. In addition, youth require access to land coupled with leadership opportunities and income diversification options so that they see farming as a business opportunity and not subsistence work. To be able to reach goals in these challenges, Antonie Fountain urged company members to accurately identify the scale of the problem, targets, and actual investments needed through a joint strategy.

“We need to reach out to see what other initiatives are doing to collaborate, identify gaps and make sure we are dealing with them.”
Antonie Fountain
To get more stakeholders involved in these issues, outward facing reporting on KPIs is key in order to show that results can be achieved. Currently, the cocoa sector is absent from the business and human rights agenda, although ahead of the curve in sustainability. As Fountain and Weatherill both mentioned, the industry needs to reach out and see what other initiatives are doing and the identify gaps, especially within the human rights agenda, where there is a lot of interest and many resources.

**Remarks by U.S. Department of Labor**

Since 2001, the U.S. Department of Labor has partnered with the governments of Côte d’Ivoire and Ghana, the National Confectioners Association, labor organizations, and NGOs to support efforts to reduce child labor. Eric Biel emphasized the important distinction between child work and child labor. Children working on family farms can be an important part of the child’s socialization and a way for the family to pass expertise from one generation to the next. However, child labor comes at the expense of traditional schooling and is defined as being when a child is engaged in a hazardous, harmful, exploitative environment. September 5, 2015 will mark the anniversary of the Harkin-Engel Protocol, which called for public-private partnerships and common action to address the enormity of the challenge of child labor. Biel stated that to address challenges of child labor in the coming years, there must be a commitment to share responsibility and leverage resources. Biel announced the Department of Labor’s commitment to support a new project in Côte d’Ivoire through $10 million in resources to collect new data to track progress and inform future action.

**Views on Supply Chain: 2030**

Gerard Stapleton presented forecasting models in the supply and demand of cocoa which showed that while demand has risen mostly due to increased demand in emerging markets, supply has fluctuated due to weather and price variation, with average growth running at 2% per year (2001 – 2015). Cocoa prices are declining by 1% per year. If prices remain at current levels while demand is growing at 2%, a significant structural deficit will emerge by 2030. Depending on the demand growth scenarios, Stapleton made the case that the cocoa and chocolate industry can avoid a structural deficit in the years ahead. This will require taking into account influencing factors of cocoa supply, such as available land suitable for cocoa, recent high prices, projected growth such as in Peru and Ecuador, as well as in Côte d’Ivoire (albeit mainly in forested areas), and competing crops such as rubber in Côte d’Ivoire and palm oil in Asia. The main challenge moving forward will be to encourage average yields to grow at a similar rate to demand through a greater investment in cocoa productivity. With a 2% increase in demand, approximate annual yields will need to be over 0.6 tons per hectare.
In addition to improved productivity rates, price can serve as the cure to the deficit, secure farmer livelihoods, and help unlock the production of cocoa. For instance, ISO management standards help improve functioning and productivity of institutions, and strengthen farmers’ market competitiveness and productivity. In addition, there is a need to emphasize profitability of farmers as another part of the solution. Nicko Debenham explained that on one hand, price is the best fertilizer and on the other, we need to be able to do more with less. More emphasis on farmer incomes will support more thriving and enabled communities.

Panelists also discussed future trends of the cocoa supply chain, which included increased focus on standards and certification, impact measurement and data collection, promoting nutritious consumption, farmer profitability and diversification, deforestation, and climate change and geopolitical concerns.

Views on Cocoa Farming: 2030

Over the next fifteen years, greater emphasis will be placed on increasing the professionalization and organization of farmers. The cocoa industry needs farmers who are credible and economically viable, and to get there, we need to promote access to fertilizer and credit, have farmers be able to work with banks and insurance companies to get decent housing and land, and have access to new information and communication technologies. Rudolf Guyer explained that CropLife is working on Component 4 of CocoaAction, not only linking farmers to input suppliers, but also trying to transfer the time and labor burden from the farmer in pesticides application to someone who knows how to use it professionally. Pesticides are critical for productivity in the cocoa sector, but farmers currently do not earn enough to buy and there is a lack of a regulatory framework to ensure legal products are sold to farmers. However, Guyer stated that CocoaAction has a unique platform to solve these issues, unlike other sectors.
Toussaint N’Guessan spoke about the importance of an open, inclusive dialogue and collaboration between farmer organizations and national and local governments. WCPO has been working with Ghana Cocoa Board to facilitate conversations about their action plans with members of the Ghanaian cabinet.

N’Guessan stated that farmers want to improve their representation in meetings, forums and platforms at the national, regional and international levels. As producers, they can better articulate issues and concerns and can contribute in a constructive way to the work being done by the government and industry. In addition to quality representation, fostering the welfare of farmers, and inclusive debate, WCPO asks for increased efforts to professionalize farmers who can also be bankable. Guyer spoke about the need to help farmers feel proud of their profession and increase improvements in policy and access for inputs, such as through subsidies or voucher schemes, free distribution, and service spray providers.

“There should be dialogue and debate about sustainable agriculture, from the most humble cocoa farmer taking a place that is rightfully theirs [to] government, industry, NGOs, civil society, so that it is an inclusive and constructive debate.”

**Toussaint N’Guessan**
Remarks by U.S. Department of Agriculture

Speaker:

**KRISTA HARDEN**
**U.S. Department of Agriculture**

Krysta Harden affirmed U.S. Department of Agriculture’s strong public-private partnership with the cocoa industry, where the industry is collaborating with government on genetic mapping, climate change, and other research. She also remarked on the importance of reaching out to support youth and women. Harden challenged the industry, and all those who enjoy and benefit from the hard work of farmers, to take action ensuring that young people have the tools and resources necessary for them to support their families. She also made a call to empower women so that they know there is a place for them, not just in labor, and also that their voice is valued and appreciated.

Breakout Sessions

**Session A: Cocoa Genetic Diversity – An Exhaustible Resource?**

**Presenter/Facilitator:**
**BRIGITTE LALIBERTÉ**
**BIOVERSITY INTERNATIONAL**

**Co-presenter:**
**MARTIN GILMOUR**
**MARS, INCORPORATED**

The genetic diversity of cocoa is important for building resistance to pests and disease, responding to climate change, developing quality attributes, and capturing a variety of flavors. Genetic diversity also helps improve farmer livelihoods by helping to differentiate them in the market and developing them from smallholders to intensive production systems.

There have been various key milestones achieved within genetics, such as the establishment of international cacao collections in Costa Rica and Trinidad & Tobago, the 2004 international treaty on plant genetics resources, food and agriculture, and having the cocoa genome sequenced. Various groups and organizations have been formed to address research and development in genetics, such as the International Cocoa Organization, the Africa Breeders Group, and the Americas Cacao Breeders Working Group. Nevertheless, panelists spoke about actions needed, such as developing better delivery systems to improve access, as well as improving the varieties available to smallholder farmers, which are more disease-resistant, adapted to climate change, and have improved quality.

Panelists discussed the need to increase international exchange and facilitate agreements to help global pest and disease risk assessments over the next 15 years. The current research and development system needs revival, which panelists suggested could be funded by an endowment by industry.

**Session B: What Sustainability Means in a Bean-To-Bar World**

**Moderator:**
**ALLISON AUBREY**
**NATIONAL PUBLIC RADIO**

**Panelists:**
**BRAD KINTZER**
**TCHO**

**ERIC REID**
**SPAGnVOLA**

Eric Reid explained how recent trends in bean-to-bar production could work successfully, using a SPAGnVOLA case study of a vertically integrated premium chocolate business. SPAGnVOLA grows various flavors of cocoa varieties and sells 100% of their products on-site. This approach enables farmers to earn greater profits, creates more regional business opportunities, and shapes a new local chocolate market. There is also a market opportunity for fine flavors, which are highly-defined by the genetics and the process of fermentation and roasting of cocoa beans.

Brad Kintzer spoke about addressing challenges that farmers face regarding lack of knowledge on international quality guidelines and scientific knowledge to develop distinct flavor by setting up local micro-laboratories. Reid spoke about the work of the University of the West Indies and its chocolate academy, which is educating young farmers on the potential for new micro-industries that retain more financial value.
from cocoa production. This will help to end the unnecessary shipping of cocoa beans to other regions of the world for further processing and resale back to the producing countries for a much higher price. On the market side, consumers are increasingly interested in bean-to-bar products, although currently, locally processed chocolate happens on a very small scale (1% of all cocoa production). Further work needs to be done on translating the value of cocoa (and its premium price) to the end consumer, marketing fine chocolate based on its quality aspects and educating consumers on cocoa origins. Both panelists see potential for knowledge transfer from Latin America to Africa, local markets for chocolatiers, and partnerships with multinational corporations to facilitate international market access to small farmers.

**Session C: Maintaining Environmental Biodiversity**

*Biodiversity can be defined as natural capital, avoided deforestation, and functioning ecosystems with services and interrelationships, as well as an ongoing source of value to human populations. Biodiversity also provides for indirect services which enable cocoa production to continue. Edward Millard stressed that what happens in the wider ecosystem outside of the cocoa farm also affects farm health.*

Ulrike Tröger explained that a loss of biodiversity is reflected in three components: losses in species diversity, genetics within species, and diversity of ecosystems. Taken together these can increase risks in climate change impacts and low adaptation capacity. There is also the business case for conservation of forest landscapes. Through good land-use planning on the farm, farmers can maximize their return without land expansion needed. Millard referenced a

“If we are to invest in the field, we should think of it as a package where available technology, not science fiction, can be applied in the fields in order to obtain results.”

*Massimiliano Wax*
report stating that Côte d’Ivoire has 23 protected areas, where 93% of illegal occupation in these areas is by cocoa farmers. With losses in species diversity, we are destabilizing the forest, which in return reduces our chances for improved productivity.

Tröger and Millard gave examples of ways that the cocoa sector can become involved in biodiversity conservation. For instance, payment for environmental services (PES) can be applied through existing finance mechanisms for protected areas. Another mechanism is through Reduced Emissions through Deforestation and Degradation (REDD+), where one is compensated as a result of reduced deforestation due to a change in practice.

In order to enable innovations to scale, we need to emphasize the whole package for farmers instead of just individual technological approaches. For example, it is important to not only have better genetics that respond to new agricultural practices, but also better practices such as in irrigation and herbicides. A systems approach to agriculture is an area that Mark Guiltinan said is very underinvested in. Breeding is a strong technology, which has gained advances in the cacao genome sequence, but there is also a need to propagate hybrid plants within farming communities, which is currently a challenge in the cocoa sector.

Panelists suggested that the industry has good opportunities in fostering both formal and informal cooperatives. Demonstration plots can provide options for training in best practices. Fostering micro-enterprises, such as nursery businesses and clonal gardens, can also help create jobs surrounding the supply of planting material. It can also help farmers learn about business development. As Massimiliano Wax stated, approximately 20% of cocoa comes from breeding programs. Training in root stock selection, conditions of soils, selection of varieties for grafting, and compatibility is an important part of the package.

Genetics and plant science research research are important parts of the technological package for farmers to improve productivity, but there are a variety of important questions to ask within each context to ensure that packages will make an impact. Pathmanathan Umaharan urged that as an industry we must also take into account risk management practice (stemming from diseases, climate change, and price volatility) and more farmer-centric innovations. The industry must drive to ensure farmers capture a higher proportion of the value chain and become better entrepreneurs. Most importantly, the cocoa and chocolate industry must ask who the
innovation is for, whether for the benefit of the companies or farmers themselves. All players involved in the innovation system must come together to form knowledge networks to increase innovation.

Climate-Smart Cocoa

Presentation:

David Titley
Center for Solutions to Weather and Climate Risk, The Pennsylvania State University

Moderator:

Hazel Culley
Marks & Spencer

Panelists:

Eduardo Somarriba
Centro Agronómico Tropical de Investigación y Enseñanza

Joseph Larrose
Touton

Simon Brayn Smith
Olam International

David Titley presented key takeaways from recent climate research and data, demonstrating that although there is higher confidence in temperature projections than in rainfall predictions, work can be done on developing risk management. Overall, the industry must look at how averages of changes against the thresholds of how plants respond to these changes, as well as the variability in changes increase, to develop adaptation methodologies. In addition to weather changes, competing challenges such as poverty, diseases, demographics and population growth, and economic and political instability between regions must be taken into account.

Climate-smart agriculture models seek to increase productivity (which is a focus within CocoaAction), build farmer resilience, and mitigate greenhouse gases. Both mitigation and adaptation need to be taken into account within all industries, across all landscapes (not just cocoa), and at all levels from the field to the international stage. Simon Brayn Smith gave an example of field-level implementation, such as in the Juabeso/Bia project in Ghana with the Rainforest Alliance, which has developed the first climate-smart cocoa and is preparing the landscapes towards REDD+ readiness. While climate change in Latin America is still in its infancy, there have been successes in sustainable cocoa and biodiversity. In countries such as Costa Rica, there have been further developments in legal and institutional frameworks for financing mitigation activities.

“We don’t know everything but we know more than enough to take action.”

David Titley
Climate change can be viewed as a common threat, which can help spur relationships to exchange various expertise and resources. Governments should play a leading role to endorse national policies, such as REDD+. The private sector should mobilize other stakeholders and help implementation on the ground. On the ground, farmers can prepare for increased variability, typically associated with diversification strategies through various agroforestry systems, which should be properly designed per context. Farmers also need to become more informed and connected, which would help develop more precise agriculture and intensification.

As an industry-wide platform, Brayn Smith spoke about how WCF is driving forward work within productivity and engaging in initiatives and research, which is extremely important to mitigate climate change. Moving forward, Eduardo Somarriba suggested that WCF should play a larger role in supporting more research so that policy makers and farmers are more informed about climate change, which could be done through a private sector commitment. Other areas WCF can become involved in include supporting national policies related to land tenure, facilitated by GPS mapping, and research to develop resistant varieties and more precise prediction models. The private sector could also lobby carbon markets to stimulate investments in carbon-smart agriculture.

15 Years in 15 Minutes: Focused on Our Future

Moderator:  
**Bill Guyton**  
World Cocoa Foundation

Speakers:  
**Gerry Manley**  
Olam International  
**Jos de Loor**  
Cargill Cocoa & Chocolate

Key takeaways discussed during this session focused on advances in cocoa productivity and stakeholder alignment. Gerry Manley referenced that 90% of cocoa in Ghana is home-grown from seeds – a trend visible in other countries. CocoaAction is working to increase farmer productivity but more emphasis should go into developing new ways of propagating hybrid material to give farmers the tools and information needed for improved productivity. This requires using experiences and lessons learned from WCF and the industry.

Jos de Loor acknowledged the great deal of energy that went into alignment and partnerships over the course of the meeting as well as constructive dialogue within sustainability, community development and gender efforts. During the next Partnership Meeting, panelists said we can expect to delve deeper into issues regarding education, child labor, nutrition, and also impact measurement and innovative ways for data collection.
For more information on the meeting, including photos, presentations, participant list and more, visit:

WWW.WORLDCOCOAFoundation.ORG/PARTNERSHIP-MEETING-WASHINGTON

SAVE THE DATE:
28th WCF Partnership Meeting & Cocoa Sustainability Trade Fair
October 26 - 27, 2016, Abidjan, Côte d'Ivoire
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During the 15th Anniversary Gala Dinner on June 30, WCF recognized the following institutions for their commitment to cocoa sustainability:

**Research Institutions**
- Centro Agronómico Tropical de Investigación y Enseñanza (CATIE)
- Cocoa Research Centre, University of the West Indies
- University of Reading International Cocoa Quarantine Centre
- The Pennsylvania State University Program in the Molecular Biology of Cocoa

**Development Organizations**
- Bill & Melinda Gates Foundation
- Gesellschaft für Internationale Zusammenarbeit
- IDH - The Sustainable Trade Initiative
- Millennium Challenge Corporation
- U.S. Agency for International Development
- U.S. Department of Agriculture