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# Sustainability in the cocoa supply chain: we need a thoughtful, holistic approach

Cocoa is a highly prized commodity and access to export markets is not usually a problem. In theory, growing cocoa should make a contribution to help move small-scale producers out of poverty. But what's the reality?

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In 2008, cocoa farmers in Ghana were earning just \$0.65 cents (44p) a day, productivity was low and decreasing, basic services were poor in communities, and young people were abandoning cocoa farming. This prompted Cadbury to launch the Cocoa Partnership which was later renamed Cocoa Life in 2012, with Mondelēz International at the helm.

Cocoa farmers in west Africa tend to be older, have small areas of farmland, produce low yields, and in some cases struggle to produce quality cocoa. For Mondelēz, this represents a serious core business issue. Having a stable, quality supply of cocoa is integral to its long-term business and avoiding a "no cocoa beans, no chocolate bars" scenario.

These issues are not going to be solved by simply providing some fertiliser and seeds and expecting the quality and quantity of cocoa to improve. A more considered and holistic approach is required that looks beyond the immediate supply chain. Without adequate education, water supply, access to energy, access to finance and tackling gender inequalities, efforts to improve the sustainable production of cocoa will be limited.

You may think this is a long list of issues to address and indeed, it is often a source of debate amongst donors as to who is responsible for tackling these wider human development concerns. The fact remains however, that simply upgrading farming practices is not enough to make an impact without consideration of the social issues.

To Mondelēz's credit, they have taken a thoughtful approach and are aiming to systematically tackle these issues through Cocoa Life, a complex multistakeholder programme. Mondelēz are investing \$400m (£275m) by 2022 to empower 200,000 cocoa farmers and bring positive change to the lives of one million community members in six cocoa-growing countries: Côte d'Ivoire, Ghana, Indonesia, India, the Dominican Republic and Brazil.

Cocoa life is not just economic; it recognises that value chains face other issues. That's why Cocoa Life comprises several thematic areas including farming, livelihoods, community development, environmental sustainability, youth and women's empowerment. CARE International has been working with these cocoa communities for generations and we are able to leverage this deep understanding of the local context in our approach, which aims to make a difference to the whole community.

A key issue is gender inequality. Cocoa is considered a "male crop" but we are working with farmers and communities to ensure women have leadership roles and representation in committees. Men own the farms but women take part in activities like the drying and fermenting of cocoa beans which are critical to productivity, quality and price of final output. Women are still paid up to 70% less than men in parts of west Africa so without addressing issues around gender, productivity will remain low. This is why CARE and Mondelēz are investing in women's leadership through the Cocoa Life programme and are excited about the impact this work will have for women in the cocoa sector.

CARE believes that companies can and should build business models which drive new and profitable opportunities for poor people as well as valuable and dignified employment. To create the impact needed to improve the lives of cocoa farmers and to shore up supply chains for companies like Mondelēz, it's important to engage with many actors - government (national and local), traders, communities and NGO partners like CARE. This makes things slower but it is needed for systemic change. A partnership approach is critical to bring different actors on board, and keep them engaged and involved. The council of external advisors that Cocoa Life has set up, is a good example of engaging a broad representation of stakeholders, and has been successful in including many voices in tackling these systemic social issues.

Through Cocoa Life, we are supporting communities to define their own community action plans, negotiate support from local authorities and address key social issues such as land related conflict and child labour. The programme works at all levels including individual farmers, farmer organisations, and entire communities.

There is still a long way to go towards making cocoa communities thrive. But it's clear that the holistic approach taken here is achieving results: preliminary findings of an assessment of Cocoa Life in Ghana show a significant increase in farmers' income. If we are to continue to make progress in this area, it would be great to see other companies take a similar approach.

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