

Chocolate is a much-loved product across the world, consumed in numerous ways, and an anticipated part of many popular celebrations worldwide. However, the widespread availability and popularity of chocolate comes under a severe strain as its price continues to increase. Cocoa supplies are dropping due to low yields across the main producing countries, with climate change and a chronic underinvestment in cocoa farms behind this worrying development.

In the meantime, the vast majority of cocoa smallholder farmers are still not achieving a living income with their produce, and poverty is widespread amongst cocoa communities. This is a root cause of problems that are increasingly addressed under legislation, such as deforestation and child labour. It is more urgent than ever to invest in cocoa farms, to enable living income for farmers, and to increase climate resilience.

OUR APPROACH IN COCOA

Solidaridad Network has nearly 20 years of experience working in the cocoa sector and is currently active in 13 producing

countries. We have a strong presence in the field, working with tens of thousands of smallholder farmers in producing countries like Ghana, Côte d'Ivoire, Nigeria, Peru, Brazil and Colombia. As cocoa is largely produced by smallholder farmers and workers, Solidaridad brings invaluable connections and expertise to the table.

We actively participate in a number of multi-stakeholder initiatives, including platforms, networks, NGO coalitions, and direct dialogues with the governments. This includes the VOICE Network, the Dutch Initiative on Sustainable Cocoa (DISCO), and the International Cocoa Initiative (ICI).

Solidaridad also actively contributes to the bi-annual publication of the Cocoa Barometer, an in-depth report that explores the local, national and global dimensions of the cocoa sector; and the annual editions of the Cocoa Scorecard, the best ranking in the cocoa sector with an open and transparent methodology based on 6 sustainability categories (traceability and transparency, living income, child labour, deforestation and climate, agroforestry, pesticides).



Solidaridad has a long track record in cocoa with much expertise and lessons learnt, and we actively seek partnerships with companies on their contribution to a sustainable supply chain of cocoa. We bring solid knowledge and experience of what is attainable on the ground, what does and doesn't work, hereby prioritizing profitability and prosperity for the farmers. Our work in cocoa is closely linked with our gender equality and social inclusion (GESI) approach, with a focus on prioritizing the improved positions and livelihoods of women and youth in cocoa.

CURRENT CHALLENGES IN COCOA

Supply chain stakeholders in cocoa are facing a number of prevalent sector challenges. It is key to address these in order to ensure a sustainable and smallholder-inclusive cocoa sector that benefits all stakeholders throughout the supply chain.

- Lack of direct connection with smallholder farmers, especially in the face of EU regulations, such as European Deforestation Regulation and Corporate Sustainability Due Diligence Directive.
- Complex relationships with local and national governments, which play a vital role in improving the situation of smallholder farmers.
- **Cocoa prices are unprecedented** due to failing harvests and fluctuating yields, resulting in global bean shortage.
- Climate change leads to poorer cocoa yields.
 Due to structural lack of investments, cocoa farms are hardly resilient to climate shocks.



SOLIDARIDAD'S SOLUTIONS IN COCOA

Solidaridad's expertise and years of experience working in cocoa makes us a solid partner to tackle these issues in collaboration. We always consider a holistic approach and understand the challenges that smallholder farmers face, both in the short and long term. We actively engage with the private sector and governments and work jointly with supply chain stakeholders on turning the challenges into solutions. For example, as demands on companies to adopt more responsible purchasing practices are becoming increasingly more widespread, Solidaridad is a solid partner to work with on this matter.

And while unstable cocoa prices present a major challenge, Solidaridad can help to work on a win-win scenario. We facilitate engagement with respective governments to ensure buffer measures are in place to prevent smallholders from being disadvantaged while ensuring that cocoa productivity and yield do not decline.

The ultimate goal of our work is that smallholder farmers and workers have an improved position in the supply chain and benefit from their work and produce, and are enabled to earn a living income.



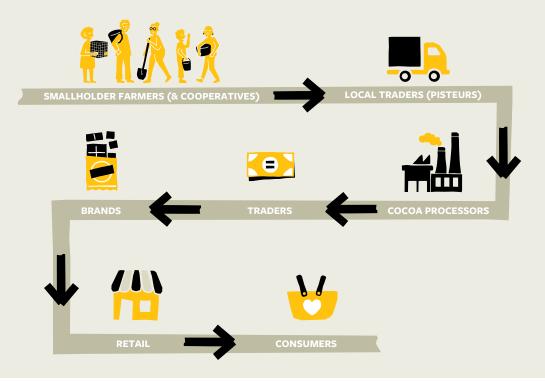
The story of Faustina Aberor, Ghana - Striving towards gender equality and land rights with cocoa cooperatives in Ghana

Faustina Aberor is president of the Brong Ahafo Women Cooperative Cocoa Farmers and Marketing Central Union (BAWCOF) in Ghana. The cooperative comprises seven thousand members; all women cocoa farmers.

[...] We realized that women do most of the work, from planting to harvesting. But when it comes to selling the beans and negotiating, the woman disappears, and you don't see her again. That had to change. Therefore, we encouraged women to officially register as co-owners of their family farms.

In addition to her work in striving for gender equality and associated land rights in cocoa-producing communities, Faustina is also closely involved in encouraging (young) farmers to see their cocoa farming as an entrepreneurial opportunity that can improve their livelihood. "Farmers are now diversifying with cocoa and discovering its versatility as a product, and I heartily encourage that."







MONDELĒZ INTERNATIONAL COCOA LIFE PROGRAM (GHANA)

As part of the implementation of the Mondelez International Cocoa Life Program (2018-2024), Solidaridad supported cocoa farmers in Ghana with increasing their farm productivity.

Solidaridad led the delivery of comprehensive training on good agricultural practices (GAPs) to farmers. Our hands-on approach, including practical sessions on demonstration plots, has enabled farmers to effectively adopt these GAP techniques. We engaged more than 10,000 farmers, brought significant improvements in cocoa yields, and contributed to higher income levels of smallholders.

Key lessons from Solidaridad's experience include the importance of continuous capacity building, targeted coaching and practical demonstrations. It is vital to strengthen partnerships to ensure timely access to resources, while expanding nursery support (i.e. access to seedlings, etc.) to sustain and enhance productivity in the cocoa-growing communities. Moreover, Solidaridad is also involved in the implementation of the Mondelēz Cocoa Life Program in Côte d'Ivoire.

Check out our publication Cocoa Life: Our Impact Stories.

LIVING INCOME INVENTORY

(BRAZIL, ECUADOR AND MEXICO)

In 2023, Solidaridad developed a **Living Income inventory**, commissioned by Nestlé, to better understand the living income gap in cocoa farming within Latin America, and to plan interventions geared towards reducing it. The research focused on Brazil, Ecuador and Mexico, important producers of cocoa in Latin America, with approximately 321,000 producer families and representing 67% of the cocoa dry bean volumes produced in the region.

The inventory found that a large part of the cocoa smallholder producers in Mexico face a living income gap, whilst half of producers in Ecuador and Brazil reach or exceed a living income. Cocoa is not the only source of income considered in the study, as family farming has various sources of income. Productivity is a key aspect, and the study recommends Nestlé to firstly focus on improving the productivity of farmers closer to living income.

This inventory was the first step for Nestlé to improve understanding of the living income gap of cocoa producers in Latin America, and is part of the Nestlé Cocoa Plan to advance a regenerative food system at scale. This focuses on transforming farming practices at the heart of the food system, while enabling a just and equitable transition.



Nestlé



AGROFORESTRY PROJECTS

(COLOMBIA, BRAZIL AND NICARAGUA)

Climate Heroes: Within the From Climate Victims to Climate Heroes project, Solidaridad is partnering with Acorn (Rabobank) to support 100,000 smallholder coffee and cocoa farmers to introduce agroforestry. Thanks to planting shadow trees on their farms, they are able to increase their income through improved productivity and selling carbon credits in the voluntary carbon market. Clients of Acorn purchase carbon credits to achieve their climate goals. The cocoa projects under the Climate Heroes programme take place across Nicaragua and Colombia.

At Solidaridad we seek to create sustainable and resilient business models that can be scaled, and are committed to digital solutions that provide technical assistance to farmers at scale, as well as the more efficient monitoring of agricultural supply chains. In the Climate Heroes project, we are deploying digital applications for use by producers and agricultural extension officers.



WINCC - WOMEN IN COCOA AND CHOCOLATE
NETWORK (WEST AFRICA, LATIN AMERICA, WORLDWIDE)

In 2016 Solidaridad laid the foundation of the Women in Cocoa and Chocolate Network (WINCC), hereby having established a **network and platform for women throughout the cocoa sector** to come together and exchange expertise and experiences, with the aim of strengthening the position of women in the cocoa and chocolate sector. WINCC connects, engages and inspires women throughout the supply chain.

Since its foundation, the work of WINCC has shown how instrumental it is to invest in the potential of women and youth in the cocoa supply chain and in their significant impact on making the cocoa sector more sustainable. WINCC has contributed to driving gender equality in the cocoa sector, and throughout the years, has been continuously visible at important industry events, such as the World Cocoa Foundation partnership meetings and the *Chocoa* cocoa and chocolate festival in Amsterdam. The national chapters in cocoa origin countries are an opportunity to engage more women from rural communities.



The story of João Evangelista Lima, Brazil
- An award winning cocoa producer

[...] Although I have been working with cocoa for two decades, I would not have achieved such outstanding results without the advice of Solidaridad extension workers on fermentation. They have been my partners, the ones to encourage me.

João Evangelista Lima, cocoa farmer in Tuerê, an Amazon region in Brazil, has taken part in the RestaurAmazônia agroforestry and reforestation project with Solidaridad. Hailing from a small community in Brazil, João Evangelista entered the 2021 edition of the Cocoa of Excellence competition, with his cocoa ranking among the world's 50 best bean samples. And not only is the cocoa of excellent quality; it also contributes to restoring the Amazon.

PARTNER WITH US FOR SUSTAINABLE COCOA!

Solidaridad is a solid partner with a vast network and expertise in fostering a sustainable cocoa supply chain. We believe that sector collaboration is key to tackle the challenges and turn them into opportunities with a win-win scenario for all stakeholders in the cocoa industry. Join us!



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