

COLLABORATION IN CERTIFICATION

Dutch stakeholders have given support to enhance cocoa farmers' performances in good agricultural and social practices, often in parallel with activities to enable farmers to join certification programmes. In the Dutch market certified cocoa has become a major tool to indicate to consumers that products have produced with high social, economic and environmental benefits.

The Netherlands has a unique history when it comes to improving the lives and the environment via the trade of goods and certification. Not only did the Fairtrade/Max Havelaar movement start here, The Netherlands is now also home to the largest standard organization for cocoa in the world: UTZ Certified. Another unique aspect is the success of certified commodities in the Dutch market: in no other country are the percentages of sustainably produced coffee, cocoa, tea and bananas as high as in The Netherlands.

The different certifiers have accumulated a lot of experience over the last years in developing sustainability programmes for cocoa and other food products and creating the necessary transparency for highly critical consumers. In multistakeholder platforms, both national and international, questions that surround certification are addressed.

"Certification has shown to improve the lives of farmers, productivity levels as well as the condition of the natural environment," said Han De Groot, executive director at UTZ Certified. "We also acknowledge that we need to work together with governments, research institutes, other standards and the industry to reach a stable and sustainable cocoa supply chain in which economic benefits are evenly shared." He concluded.

KNOWLEDGE THAT WORKS

Research, training, capacity building and extension are key components of almost all bilateral programs and projects of Dutch stakeholders.

As of 2004 the Government of the Netherlands has reinvested its share of the former cocoa buffer stock in a scheme in support of projects for sustainable cocoa. With a total subsidy of €12 million, 22 projects have been facilitated in Brazil, Cameroon, Côte d'Ivoire, Ghana, Nigeria, Papua New Guinea, Trinidad and Tobago and The Netherlands. The support has been beneficial to, among others, the preservation of the global cocoa genetic resource base; better insights in and prevention of pests, diseases and contamination; sustainable production; agroforestry cocoa cultivation; innovations in chocolate production; and international partnerships.

Cocoa CONNECT To share, meet and learn for sustainable cocoa

Cocoa CONNECT – an international knowledge portal to share, meet and learn for sustainable cocoa was developed by the Choco Work Group, led by KIT Sustainable Economic Development with funding from the Government of The Netherlands. Cocoa CONNECT is a knowledge partner of the World Cocoa Conference.

The Netherlands is committed towards generating and investing in knowledge that is relevant, shared and accessible, and ultimately applied locally. To support this Wageningen UR conducted a survey to develop a strategic research agenda that meets the need of many.

It was recognized that information is often not accessible to the parties in the supply chain that need it in an accessible way and there is scope to increase knowledge transfer across crops. Together with all stakeholders in consuming and producing countries, and building on existing knowledge platforms, this initiative hopes to contribute to developing a relevant sustainable research agenda and facilitate knowledge exchange and learning.

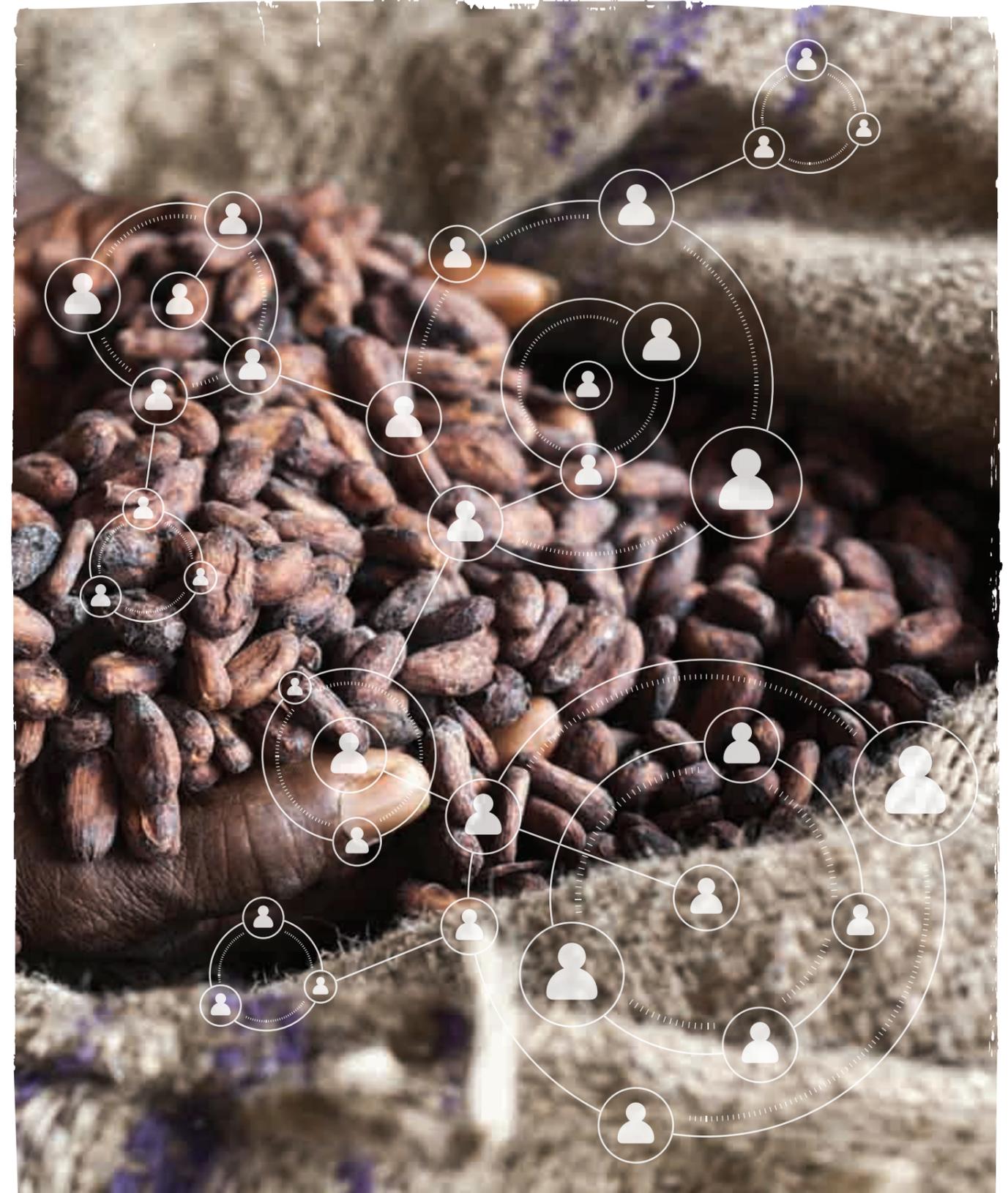
A TASTE OF SUSTAINABILITY

Investing in sustainable cocoa production only makes sense if you at the same time create a market for sustainable cocoa and chocolate. Currently a significant part of certified cocoa is not being sold as such. What does it take to convince buyers and consumers to buy sustainable cocoa and chocolates? Are they willing to pay a better price for a traceable product? And what about opportunities for small- and medium enterprises (SMEs)?

For most small and medium sized chocolate makers the shift to sustainable cocoa as ingredient requires more information and awareness around sustainability issues. Initiatives like The Chocoa Festival raises awareness among consumers and professionals on quality, sustainable and origin cocoa, and supports small and medium sized chocolate makers in increasing their market share through innovative approaches.

SUSTAINABLE COCOA

THE NETHERLANDS AND THE INTERNATIONAL COCOA SECTOR





SUSTAINABLE COCOA

Sustainable commodities are high on the social and political agenda in The Netherlands. Most efforts focus on commodities where The Netherlands plays a significant role in the supply chain and where involved stakeholders are motivated to work towards substantive social, economic and ecological improvements. For sure, cocoa is such a commodity.

THE NETHERLANDS INVOLVEMENT IN THE INTERNATIONAL COCOA SECTOR

Cocoa is of major economic importance for The Netherlands and combined with its prominent role in the international cocoa chain, this has resulted in The Netherlands having the interests, position, and responsibility to play an innovative role in sustainable cocoa.

Amsterdam Cocoa Cluster

Many parts of the international cocoa chain converge in The Netherlands. Amsterdam is the world's largest cocoa port. Annually, a staggering 600,000 tonnes of cocoa beans (around 20% of world's cocoa production) is imported from cocoa producing countries, such as Ghana and Côte d'Ivoire. The bulk of this percentage is processed into semifinished products in the Zaan area, with Cargill and ADM as the major players. Together with ECOM Dutch Cocoa they are the driving forces behind the Dutch cocoa import and processing. The Netherlands account for around 13% of world cocoa processing. At CWT Sitos, a warehousing company in the Port of Amsterdam, 150,000 tonnes of cocoa are stored. The biggest chocolate production facility in the world, owned by Mars is located in Veghel. In total, the Netherlands cocoa sector has an annual turnover of € 2.5 billion and employs around 20.000 people.

Dutch people love to eat chocolate daily, almost 5 kg of chocolate per person annually. Chocolate is also an intrinsic part of the national cultural heritage throughout the year, such as "Sinterklaas" who gives you a bar of chocolate in the letter of your initial name on the 5th of December.

Many old chocolate brands such as Van Houten from the Netherlands, and important processes such as 'Dutching' are invented here (Coenraad Johannes van Houten, whose father Casparus is responsible for the development of the method of removing fat from cacao beans by hydraulic press).

LETTER OF INTENT FOR SUSTAINABLE COCOA

The commitment to promote sustainability in the cocoa sector is widely shared in The Netherlands. Stakeholders formally strengthened their commitment by signing the Letter of Intent for Sustainable Cocoa on 4 March 2010. In this letter private sector, NGOs, knowledge institutes and the government have all expressed their willingness to ensure that by 2025 all the cocoa consumed in The Netherlands is guaranteed sustainable. In principle, sustainable cocoa is guaranteed by visible, measurable, third party schemes that do independent auditing and monitoring of cocoa in the chain from producer to retailer with a traceable system (UTZ Certified, Fairtrade, Rainforest Alliance, Certified Organic and EU Biolabel). Ultimately certification has to be synonymous with cocoa that is produced in a sustainable way. There is a European/Global standard under development (CEN/ISO) that supports the cocoa sector in this effort.

"We, the signatories of this Letter of Intent, strive to continue our efforts at an international level to contribute to the revitalization of the cocoa sector within our own responsibilities and capabilities. In close collaboration with the responsible authorities we will help improve the lives and incomes of millions of small farmers, in order to build an attractive cocoa sector for current and future generations. We will continue to contribute to the training of farmers in modern agricultural techniques to promote higher productivity and better quality cocoa. We support the organization and strengthening of producer groups and improved working and living conditions."

MILESTONES

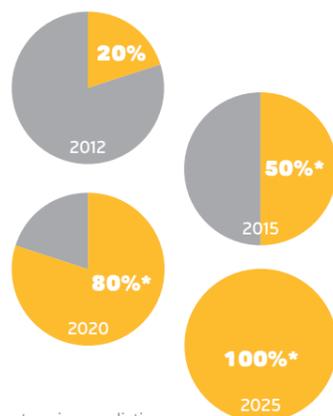
The signatories and other participants are striving for the following intermediate milestones:

- 2012** all chocolate letters sold on the Dutch market are 100% certified
- 2015** 50% of all cocoa used in cocoa and chocolate products that are consumed in the Dutch market to be guaranteed sustainable cocoa
- 2020** 80% of all cocoa used in cocoa and chocolate products that are consumed in the Dutch market to be guaranteed sustainable cocoa
- 2025** 100% sustainable cocoa consumption

MEASURING PROGRESS

LEI Wageningen UR (University & Research Centre) has supported the government to monitor consumption of certified sustainable cocoa in the Netherlands. The estimate that 20% of certified chocolate sales in 2012 so far are based on retail sales statistics, a literature review, interviews and the professional judgment of representatives of the cocoa value chain stakeholders. This indicates that good progress is being made so far in meeting the interim milestones. Systems are being developed to continue to measure progress.

PROGRESS SUSTAINABLE CONSUMPTION THE NETHERLANDS



*Percentage is a prediction.

THE CHOCO WORK GROUP

To enhance cooperation, the Choco Work Group has been established, initiated and facilitated by the government, operating as the national cocoa stakeholder meeting. The Work Group brings together organizations who have signed the Letter of Intent and others committed to the objective, meeting on a regular basis.

Signatories of the Declaration of Intent:

Mars, Rainforest Alliance, UTZ Certified, IDH (Dutch Sustainable Trade Initiative), Fairtrade, Unilever, Ministry of Economic Affairs, Ministry of Foreign Affairs, Plus, Port of Amsterdam, Baronie, Verkade, Solidaridad, ECOM Dutch Cocoa, Oxfam Novib, ORAM, Kruidvat, Friesland Campina, VBZ (Vereniging voor de Bakkerij- en Zoetwarenindustrie), KIT (Royal Tropical Institute), Jamin, Albert Heijn, Continaf, Ferrero, VBP (Vereniging Biologische Producenten en Handel), Theobroma, FNV bondgenoten, CBL (Centraal Bureau Levensmiddelenhandel).

Other participants in Dutch stakeholder cooperation:

ADM, Cargill, Barry Callebaut and the World Cocoa Foundation.

ACTION PLAN

The Letter of Intent is organized around five pillars:

- 1 International cooperation**
Continue to invest in international public-private partnerships
- 2 Integral chain approach**
Address sustainability in the cocoa value chain and optimize cooperation
- 3 Joined collaboration**
Help to improve the lives and incomes of farmers and strengthen producer groups
- 4 Increase production**
Stimulate the supply of sustainable cocoa and chocolate products
- 5 Increase consumption**
Stimulate growth in demand and consumer understanding

INVESTMENTS IN GLOBAL PARTNERSHIPS

The Netherlands invests in public-private partnerships (PPP) for sustainable cocoa around the globe, involving different stakeholders in producing and consuming countries and addressing different challenges. For example, The Netherlands actively participates at the ICCO-meetings, hosting the World Cocoa Conference in the Netherlands. Recently, the Dutch Ministry of Foreign Affairs is co-investing in a PPP in Cameroon working towards 4,000 MT UTZ Certified cocoa beans, involving Theobroma, Syngenta, Solidaridad and IDH. Another example of a PPP in West Africa is the Cocoa Rehabilitation and Intensification Programme (CORIP) – Ghana. CORIP involves The Dutch Embassy in Ghana and Solidaridad (West-Africa) in partnership with private cocoa industry partners and other technical service providers including International Fertilizer Development Company (IFDC) and Cocoa Research Institute of Ghana (CRIG). CORIP will help Ghanaian cocoa farmers to implement best agronomic and farm management practices through services obtained from the Rural Service Centers (RSC) to enhance their productivity from the current average 400kg to at least 1,000kg per hectare.

"Globally, cocoa production is under threat. Farmers profits are too low to stay in business. The Netherlands aims to help bring together the main actors in the cocoa sector to find innovative solutions. Chocolate producers, traders, NGOs, governments, researchers and farmers work together to find ways to create a more sustainable cocoa sector for the future. In Ghana, The Netherlands supports the modernization of the cocoa sector. By jointly supporting the start up of innovative rural service centers for farmers to help them increase their productivity and sustainability. These centers will be run as financially sustainable businesses. In addition we engage on other issues that interfere with the development of a healthy cocoa sector, such as transport and logistics, price regulations, distortive subsidies, as well as social and environmental issues."

The Ambassador of the Embassy of the Kingdom of the Netherlands, Hans Docter

Examples of PPPs in other regions are in Indonesia, where the Embassy of the Kingdom of the Netherlands (EKN) in Jakarta finances a project that aims at improving the intake of nutritious food products in the cocoa growing areas in Indonesia. The NGO SwissContact implements a project contributing to good agricultural practices in the cocoa growing areas in Sumatra and Sulawesi.

In Brazil, the Dutch government co-financed through the Buffer Stock Fund, Project Phoenix in Brazil (2009). This project was initiated by the AIPC (National Association of the Cocoa Grinding Industries), that focuses its activities on the rehabilitation of cocoa crops in Southern Bahia. Project Phoenix has been designed to overcome low productivity caused by Witches' Broom Disease in the Cabruca agroforestry system (cocoa grown underneath the remaining Atlantic rainforest). This region is extremely rich in terms of biodiversity. The project involves 25 farms, clustered in the traditional cocoa region (each one working 5 hectares of land only). The farms apply a technology package combining good agricultural practices, tree density increasing, fertilization and grafting, along with technical assistance. Currently, some farms are already producing 1.2 tonnes per hectare!

"If there had been other initiatives such as the Phoenix Project since the problems started (Witches' Broom Disease), it is highly imaginable that South Bahia and the cocoa sector would have been completely different. There would have been almost no deforestation, more jobs created, no massive rural exodus, less criminality and the region as a whole would have been economically more attractive, especially to cocoa farmers". Manuel Góes, cocoa grower and Phoenix participant – Sempre Viva Farm.