Is the ethical cocoa trade a myth or reality?

Ritter Sport business model, Nicaragua

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Ritter Sport in Nicaragua
History with Cooperatives in Nicaragua

First PPP with GTZ and the local NGO ADDAC

Cooperation with 20 cooperatives

Project start

1990

2000

2001

2008

2012

2015

Creation of the first cooperative CACAONICA

Ritter Sport Purchasing station in Matagalpa

Nicaragua obtains fine cocoa status
Cocoa Production in Agroforestry Systems

- Forest protection by supporting the development of diversified production systems which offer higher income security to small farmers.
- Support to reconvert extensive cattle breeding areas into more sustainable production systems.
- Central approach based on the establishment of diversified agroforestry systems where different cash crops like coffee and cocoa are combined with forest trees.
Ritter Sport business model in Nicaragua

Principles

- **Respect for the people**: A positive work environment, mutual confidence, reliability and entrepreneurial spirit. The health of their employees is a priority to RITTER.

- **Long term relationships, based on transparency and respect** in the dealings with the partners. Ritter doesn’t purchase cocoa from intermediaries and maintains a transparent pricing policy.

- **Economical and environmental sustainability**: Using resources efficiently with least waste possible. Purchase of cocoa grown in sustainable production systems and taking actions to generate positive impact in the people living of the cocoa crop.
Ritter Sport business model in Nicaragua

Sustainability program

Support services to cooperative companies and their members

Component of TECHNICAL ASSISTANCE

STRENGTHENING of organizational and business management

SUPPORT FOR certifications/quality

LOANS productive/comercial

Transparent pricing model and immediate payment

Direct market access without intermediaries

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Results

- **Technical assistance program:**
  - 21 cocoa cooperatives are receiving support to strengthen their business management systems.
  - 50 demonstrative production plots are being set up to monitor the productivity program and to train around 1000 farmers a year in integral handing of cocoa.
  - Training of young people in cocoa quality, certification, traceability and health & safety

- **Transparent pricing model and loans**
  - 21 cocoa farmers cooperatives have obtained loans to favorable conditions (1-1.5 millions of dollars).
  - Improvement of the infrastructure for cocoa drying and fermenting
Important milestones for Ritter Sport:

- In 2015 Ritter Sport bought in Nicaragua for the first time 1,000 tons of cocoa.
- In 2015 the Nicaraguan cocoa was oficially recognized for its fine aroma and flavor.
- 97.5% of the offered cacao now meets the quality criterias.
- 85% of the 3500 farmers are certified (Organic, UTZ, Fairtrade)