World Cocoa Conference

“Certification and its challenges?”

Fuzz Kitto – National CoDirector STOP THE TRAFFIK Aust. Coalition
What is your view on the above preamble? Do you agree or disagree with it? Why?

• Certification is not enough to ensure the sustainability of the supply
• Certification was the first effort to start the sustainability journey
• Sustainability is a *shared responsibility*
Sustainability (Child Labour Trafficking)

**5 Components to Attaining Sustainability**

1. **Government**
   - Services, Infrastructure, Legislation - remediation
   - Enforcement of laws
   - Ratification of and Compliance with International Protocols

2. **Business / Manufacturing Certifiers**
   - Reporting

3. **Consumers Campaigners & Media**
   - Consumer awareness and education, Influence through campaigning & highlighting companies doing the right thing, reporting

4. **NGO’s Academics & Unions**
   - Raising awareness informing the Development of Campaigns & establishing a framework for action
   - Training and building community resilience & development & welfare & Remediation, living income

5. **Local Communities & Producer Assocs**
   - Building resilience
   - Protecting children
   - Monitoring people movement
   - Culture of Child labour protection and protection in developing and maintaining healthy manufacturing / agriculture/ aquaculture

**Traceability and transparency in the chain of supply, 3rd Party Certification, Contribute for more sustainable communities & development, remediation, living income**
5 Components to Attaining Sustainability

- How do the others help Government achieve their role?
- Services, Infrastructure, Legislation - remediation
- Enforcement of laws
- Ratification of and Compliance with International Protocols

Sustainability (Child Labour Trafficking) In Cocoa

Business / Manufacturing Certifiers

Consumers

Campaigners & Media

NGO’s Academics & Unions

Producer Associations

Local Communities
5 Components to Attaining Sustainability

- How do the others help businesses achieve their roles?
  - Traceability and transparency in the chain of supply, 3rd Party Certification, Contribute for more sustainable communities & development, remediation, living income

Sustainability (Child Labour Trafficking) In Cocoa

Government

Business/Manufacturing/Consumer Campaign

NGO's Academics & Unions

Producer Assoc's Local Communities
Building resilience
Protecting children
Monitoring people movement
Culture of Child labour protection
Healthy cocoa growing culture

5 Components to Attaining Sustainability

- Building resilience
- Protecting children
- Monitoring people movement
- Culture of Child labour protection
- Healthy cocoa growing culture

How do the others help Local Communities achieve their roles?

- Building resilience
- Protecting children
- Monitoring people movement
- Culture of Child Labour Protection
- Healthy cocoa growing culture

Sustainability (Child Labour Trafficking) In Cocoa

Government

Business / Manufacturing Certifiers

Consumers & Media

NGO’s Academics & Unions

Producer Assochs

Local Communities
5 Components to Attaining Sustainability

- How do the others help NGO’s?
- Their roles:
  - Raising awareness
  - Informing
  - Development of campaigns
  - Establishing a framework for action
  - Training and building community resilience
  - Development & welfare
  - Remediation, living income

Sustainability (Child Labour Trafficking) in Cocoa

Raising awareness informing the Development of Campaigns & establishing a framework for action. Training and building community resilience & development & welfare & Remediation, living income.
5 Components to Attaining Sustainability

- How do the others help Consumers and Campaigners their roles

Consumer awareness and education, Influence through campaigning & affirming companies that are doing the right thing, reporting

- Sustainability
- (Child Labour Trafficking)
- In Cocoa
How does each be accountable and keep the others accountable?
Sustainability (Child Labour trafficking) In Cocoa
What is your view on the above preamble? Do you agree or disagree with it? Why?

- Certification is not enough to ensure the sustainability of the supply
- Certification was the first effort to start the sustainability journey
- Sustainability is a shared responsibility
- It is definitely seen as an additional cost by the producers— but so are all the chocolate processor and chocolate company programs
- Consumers tell us they trust certification more than Chocolate company/processing company logos programs
- There is greater recognition of certifiers logos
- There is a growing awareness and interest amongst consumers and governments in human rights in supply chain
- There is a gap between what consumers think Certification can do and what they can do.
Under which conditions is certification adding value to cocoa production? To what extent does certification improve the cocoa farm income?

- It supports the running of many cocoa coops
- Certified farmers might only receive a slight net income increase but it does make a difference to the operation of the coops
- More Premiums need to be paid to farmers, not just for programs for farmers & Co-ops
- More certified cocoa is going to be needed so more certified cocoa should be sold
  - Mars (50%), Ferrero (70%), Hershey (75%) have 2020 100% certified targets, Nestle (43% sustainably sourced) Mondelez (35% sustainably sourced)
  - Not all certified beans are sold as certified:

<table>
<thead>
<tr>
<th>Certifier</th>
<th>Côte d’Ivoire %</th>
<th>Ghana %</th>
<th>Premium Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairtrade</td>
<td>58%</td>
<td>33%</td>
<td>$200/tonne</td>
</tr>
<tr>
<td>Rainforest Alliance</td>
<td>35%</td>
<td>27%</td>
<td>Does not mandate a premium, premium being paid to farmers by buyers</td>
</tr>
<tr>
<td>UTZ</td>
<td>52%</td>
<td>44%</td>
<td>No set value. 2016, farmers on av. $109/tonne</td>
</tr>
</tbody>
</table>
What conditions should be in place to allow certification schemes to reach unorganized farmers?

• Certifiers / Processors / Chocolate companies need to invest more in unorganised farmer relationships and perhaps even establish / run coops

• Partnerships may need to be formed to innovate alternative structures and systems for unorganised farmers to be organised/connected
Certification and its challenges

• Please ask them:
  • “Who are you? We have never seen you?”
  • “We don’t know who you are or what you do or what you think. Who are you?”

• Perhaps here lies some of the key answers to sustainability – relationships!
• The only thing that is sustainable is reality!
• No one knows how to do this – if they did we would probably have the answers by now.
• The only way we are going to find the answers to sustainability... is together!