Theory into Practice

Delivering a Sustainable Cocoa Supply Chain: Armajaro Trading Ltd.

22nd November 2012
CONTENT

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  - Back to farm level
  - Acquiring knowledge:
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Armajaro: Our Business Context

PRODUCERS

MANUFACTURERS/PROCESSORS

ACTING AS A LINK...

- Our business depends on demand from our customers
- Our concerns about the current cocoa supply chain therefore, inevitably, mimic those of our clients
**Armajaro: Our Business Context**

**MANUFACTURER CONCERNS**

**SHORT TERM**
- Child Labour
- Farmer Livelihoods
- Farmer Working Conditions

**LONG TERM**
- Securing Future Supply
- Environmental Impact
Armajaro: Our Business Context

We must reverse current industry trends

- Falling yields
  - Shrinking farm sizes
- Young small holders choosing alternative occupations

Meanwhile dealing with short term concerns
Armajaro: Our Approach

Moving back to the farm level...

- Make farming an **aspirational occupation**
- Generate a **viable and profitable business model** for cocoa production
FIRST STEP: ACQUIRING KNOWLEDGE
GEOTRACEABILITY

✓ Farm mapping
✓ Data collection
✓ Geo-traceability
GeoTraceability: Farm Mapping
Mapping Human Infrastructure

- Collect information such as:
  - A farm’s proximity to a school
  - Medical Centre
  - Water Source

- This information can be evaluated in relation to issues such as child labour

- Areas can then be categorised in terms of risk in relation to these indicators
The largest web database worldwide on commodity farming
GeoTraceability: Traceability and Barcoding
Armajaro: Our Approach

DELIVERING
A SUSTAINABLE
SUPPLY CHAIN

Helps identifies the:

✓ Main ‘sustainability’ issues
✓ Interventions needed at the farm and community level
DELIVERING
A SUSTAINABLE
SUPPLY CHAIN

SECOND STEP: FARMER DEVELOPMENT CENTRES
Source Trust: Improving Crop Yields and Quality
Source Trust: Introduction

Goals

- Efficient farmers producing better quality cocoa and higher yields
- Achievement of best possible cocoa prices for farmers
- Farmers well trained in Good Agricultural, Environmental and Social Practices
- Entrepreneurial farmers
- Increased business awareness in farmers
- Farmers by choice
- Long term sustainable cocoa production

✓ Source Trust can be complimentary to certification or an alternative depending on customer requirements
Farmer Development Centres

Example: West Africa

- Farmer Training
- Development of Premium Certified Cocoa
- Seedling and Planting Material
- Farmer Inputs on Credit
- Carbon Credits
- Village Resource Centers
- Community Infrastructure
- Malaria Prevention
Source Trust: Farmer Support

Farmer Training

- Sustainable agriculture
- Child Labour sensitisation
- Value and impact of farm inputs
- Standards for certification
Source Trust: Farmer Support

Village Resource Centres

- Further training materials and means of communication
- Educational resources for school pupils

Seedling and Planting Materials
Source Trust: Community Support

Community Infrastructure

- Carry out thorough needs assessments at farmer level
- Projects are designed and delivered according to local needs
Source Trust: Funding

- **voluntary premiums** paid by Source Trust Partners for traceable cocoa
- further Partner **funds for specific, bespoke projects**
- also receive **donations** from Source Trust Sponsors who source their cocoa elsewhere

We seek to match the premiums and project funds with **donor funding**: 

![Logos of various organizations]
Armajaro: Our Solution

DELIVERING A SUSTAINABLE SUPPLY CHAIN

PRODUCERS

MANUFACTURERS/PROCESSORS

source trust
sustainability in action

GEOTRACEABILITY