Sustainable Supply & Demand
working in partnerships for tomorrow’s cocoa

Kojo Amoo-Gottfried
Country Manager Ghana
Cargill Cocoa & Chocolate

Agenda

• Global supply and demand

• Complexities in the cocoa sector
  • Global issues
  • Local challenges

• Sector responding
  • The Cargill Cocoa Promise
Demand for cocoa beans is ever-increasing

- There is increase global demand for cocoa beans
- The supply of beans coming from the top 3 cocoa producing countries are not as stable any more

Supply from Côte d’Ivoire was increasing steadily
Supply from Ghana is coming up

But the supply from Indonesia is going down
Whilst global demand is continuously growing

Issues we face in the sector

Global and regional trends affecting farmers and farmland
  • Climate change
  • Urbanization

To meet demand a structural approach is needed to create a sustainable cocoa supply chain
Climate changes potential impact in Côte d’Ivoire & Ghana

Urbanization is a fact

Already 40% of Africa’s population lives in cities, more than India’s 30% and close to China’s 45%

- Côte d’Ivoire: 51% (2010-15 est. rate of change 3.7%)
- Ghana: 51% (2010-15 est rate of change 3.4%)

* Damian et al “the rise of the African consumer” McKinsey report, oct 2012
Regenerating farmland
The cocoa tree has an average life span of 30 years

Long-term crop in Côte d’Ivoire
The regeneration rate should speed up to maintain crop
How the sector is responding

- Companies in the sector are responding
- A need for transparency across the supply chain
- The Cargill Cocoa Promise, our global commitment

Growing # of commitments from brands

- **Mars Inc.**
  - 100,000 MT UTZ Certified
  - 100,000 MT Rainforest
  - All 350,000 MT to be certified sustainable by 2020

- **Nestlé**
  - Nestle will invest £65 million over next 10 years in theirs Cocoa Plan, also works with WCF.

- **Kraft Foods**
  - Increase volume of Rainforest Alliance cocoa to 30,000 MT by 2020.

- **Magnum**
  - All cocoa in Magnum ice-cream Rainforest Alliance certified by 2018.

- **Cadbury**
  - All cocoa sustainable through either Fairtrade or Cadbury Cocoa Plan

- **Hershey's**
  - Hershey will source 100% certified cocoa by 2020 for it's global chocolate product lines

- **Lidl**
  - 100% certified sustainable cocoa by 2020

- **Ahold**
  - 100% of all chocolate products will be UTZ certified, or Fairtrade Organic by 2015.
Supply and demand of certified beans

The Cargill response: introducing our Promise