



# Responsible Business and Sustainability

# Professionalizing Cocoa Farming

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# Ghana's Cocoa Production



- Investments in sector **increased production to 1 Million tones** in 2010/2011 cocoa season
- Avg **earnings of over \$1 b a year** from annual average production of 750,000 tones of cocoa grown by about 720,000 farmers.
- **Production at around 400-450 kilograms per hectare**, with about one third of cocoa farms producing less than 150 kg per hectare
- An estimated **40 per cent of all cocoa pods lost** to disease and pests
- Farmers' **earnings** from cocoa estimated to be about **\$0.42 per person/day**
- Increasing **demand** for sustainable cocoa produced that meet credible standards
- Increasing **urbanization**

# Needs and Challenges



## Building a Sustainable Cocoa Economy

- Meet consumer demands
- Address social, economic and environmental challenges facing cocoa farmers.
- Support a higher quality of life by focusing on innovation and collaboration
- Ensure profitable sustainable cocoa value chain for all stakeholders



## Addressing Challenges

- Value-addition
- Supply chain management
- Smallholder production and productivity
- Poor technology and inadequate training of farmers

# Cadbury Cocoa Partnership Professionalizing Cocoa Farming in Ghana



# Cadbury Cocoa Partnership launched in January 2008

**£45m** over **10 years** from 2008 across **all our cocoa origins**  
**£30m** investment to **Ghana** as a key origin

## 1 Vision



**“Thriving rural cocoa communities that support a sustainable cocoa supply chain”**

## 2 A Planning Approach



**Multi-stakeholder with Government, NGO, farmer and business input**

## 3 A Delivery Approach



**Community centred – communities empowered to take ownership of own development**



# Current partner communities



# Our community-centred program



## Cocoa production:

- Good agricultural practices
- Knowledge transfer to farmers
- Access to inputs
- Access to certified markets
- Working with Ghana COCOBOD

## Community services:

- Strengthening institutional relationships and policy frameworks
- Improving community services
- Working with national and local government



## Market access:

- Access to additional sources of income
- Access to credit and inputs
- Trading opportunity
- Working with commercial entities





# BUILDING SUSTAINABILITY SUCCESS ACROSS OUR BUSINESS

## ✓ Social Challenges

- Yields less than a quarter of potential
- Average income <\$1 per household member per day
- Ageing farmers; youth migration

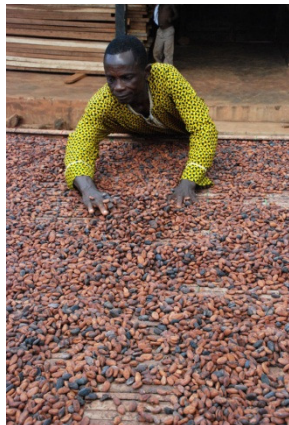
## ✓ Structural Challenges

- Poor practices and access to inputs
- Not just driven by lack of knowledge
- Access to capital
- Complex social and cultural dynamics
- Poor rural infrastructure
- Limited additional economic opportunities
- Limited collective organizations

## Cocoa Partnership vision

### Thriving rural communities that support sustainable cocoa supply

- Goal: improve cocoa production and livelihoods
- Complemented by broader community development
- Behavioral and social change affect technical solutions
  - At farmer level, mobilising communities to drive own livelihoods and community agendas
  - Cocoa extension delivered through new farmer organisations
  - Facilitator rather than donor approach
- Institutional and policy engagement to support scale-up
  - At national, regional and district level, partnering with government and other stakeholders to embed activities within their plans, and advocate for scale up through policy and practice





# Our Cocoa Partnership

Endorsement by NGOs and governments - a key to successfully professionalizing cocoa farming in Ghana

**Strong**  
**partnerships** with  
**NGOs and**  
**Governments**

- UNDP, CARE, VSO, World Vision, Ghana Government, India Government

*Cadbury is a vital trade partner and we are delighted that Cadbury is supplementing the extension programme by recruiting extension officers. Additional extension officers will help widen the programme to more communities and bring increased benefits to farmers."*

**Tony Fofie, Chief Executive, COCOBOD,**

**Recognised as**  
**leading**  
**development of**  
**sustainable**  
**agriculture**

- Multiple case studies by NGOs and academic institutions (Oxfam, Business in the Community, Cambridge Business School, Harvard, UNDP Business Call to Action)
- BITC Responsible Supply Chain Award commendation
- Cross party support from UK government – referenced by DFID as an example of best practice

**Protection** on child  
**labor**

- Leading child labor organisations involved in shaping the Partnership approach (ICI, Anti-Slavery). Moving Anti-Slavery from negative to neutral/friendly
- Programme activity as a robust response on child labour

**Moving NGOs to**  
**positive**  
**ambassadors**

- Campaigning NGOs such as Action Aid, World Vision have moved from critical or neutral to positive ambassadors e.g. Stop the Traffik UK and World Vision Australia dropped Cadbury Dairy Milk as a campaign target

# Our Model **Driving Productivity Gains** and Improved **Community Infrastructure**

## Key achievements

1. Improving social conditions of farmers and their communities
2. Addressing environmental concerns
3. Economic transformation of farming into sustainable and viable businesses



**Average productivity**  
**up ~20%**

**from 404kg/hectare in 2009 to 488 kg/hectare in 2011.**

- **209** communities mobilized, working to deliver their own plans
- New farmer and community organisations
- Extension agents training farmers and supporting them with nurseries and inputs
- Integrated approaches on other livelihoods, child labour, gender, health and environment
- Intensified farm management practices, replanting with improved varieties and maintenance of moribund farms are on course and expected to hit the programme target of 1000 kg/hectare by 2015.

# 209 Communities

- Communities improving **infrastructure**
- CP funded community initiatives delivering positive results
- **Household incomes** from cocoa in 2011 have significantly **increased by 207%** as compared to 2009.
- Cadbury **Cocoa Ambassador programme** established to engage and nurture young people in cocoa production.
- Growing **leadership roles for women** in communities.
- Community Cocoa **Seedling Nurseries** established and mainly managed by the youth as an income-generation activity.

## COMMUNITY

WOMEN



YOUTH

# Policy and Institutional Progress

- **Partnerships** with key government departments and district governments
- Partnership with COCOBOD for the re-establishment of cocoa extension service
- Farmers forum receiving **policy responses** from COCOBOD and other government agencies to meet farmer needs.
- Growing **confidence** of farmers in improved dialogue with COCOBOD
- Improved **linkages** between communities, unit committees and District Assemblies
- Number of **initiatives implemented** by District Assemblies in the partner communities increased by 79% from 117 in 2009 to 210 in 2011
- **51% increase in implementation of community priority livelihood projects with support of external parties compared to 2009**

# Continuing Challenges

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**Speed and Capacity for Change in  
National Institutions**

**Time to change attitudes and social  
change**





