



Brussels, 05 May 2021

COCOA TALKS

EU VIRTUAL MULTI-STAKEHOLDER ROUNDTABLES ON SUSTAINABLE COCOA

SUBJECT: SUMMARY REPORT ON MEETING 5 ON SUSTAINABLE COCOA PRODUCTION

On the 5th May 2021, the European Commission hosted Meeting 5 of the *Cocoa Talks*, its multi-stakeholder dialogue on sustainable cocoa, on the topic of Sustainable Cocoa Production. The objective of this meeting was to:

- Look at the current features and constraints of cocoa production at the farm level and opportunities for enhancing sustainability
- Highlight how to upgrade current production systems with nature-based solutions while reducing the growing pressure on residual forests and restoring biodiversity.

One-hundred and ninety-three people attended the meeting, which lasted for three-and-a-half hours.

Ms. Carla Montesi, Director for Green Deal and Digital Agenda, Directorate-General for International Partnerships, opened the meeting by thanking the stakeholders across the value chain for their valuable remarks along the roundtable. She explained that agroecological approaches have been identified as a “game-changing solution” in a recent report from the High-Level Panel of Experts of the Committee on World Food Security (CFS), noting that they lend themselves well to the conservation of biodiversity, fit perfectly with the principles of a circular economy while considering the culture and values of farmers’ communities.

Ms. Montesi reminded the audience that the objective of this multi-stakeholder dialogue on sustainable cocoa is to exchange ideas on how to enhance all three dimensions of sustainability for cocoa production and, in particular, on how to make progress towards a living income for cocoa farmers whilst ensuring the protection and restoration of forests in cocoa-producing regions. She reaffirmed that these two objectives go hand in hand. To fetch a higher price, farmers need to produce a different, more sustainable product.

Ms. Montesi expressed her belief that agroecology is a credible and effective way to produce the cocoa of the future, which will be of a higher value because it will be bundled with ecosystem services. She informed the audience that all actors (researchers, extension service officers, farmers, traders, NGOs) must work together to experiment and scale up innovative solutions that combine the most recent scientific research with local know-how. She also said that there is a necessity to work simultaneously on capacity development for farmers and cocoa cooperatives, mobilization of public and private investment and the design and implementation of public policies.

Research and evidence-based policymaking must be at the heart of the initiatives, according to the director. Through DeSIRA, the EC funds the cocoa-specific research project known as Cocoa4Future. This project seeks to enhance the sustainability of cocoa farms through the optimization of cocoa cropping systems and the diversification of cocoa farms, thus contributing to the agroecological transition in Ivory Coast and Ghana.

To conclude, she insisted that we cannot hope to change farmers' agricultural practices without increasing cocoa prices. It is necessary to increase farmers' incomes to allow them to invest in regenerative agriculture, to pay decent wages to their workers and to sustain their families.

Hon. Joseph Boahen Aidoo, Chief Executive of the Ghana Cocoa Board, started his presentation by reminding the audience that Ghana's approach to sustainability considers three key pillars: economic, social and environmental. According to the Chief Executive, Cocoa board's engagement in the dialogue should correct misconceptions about the way Ghanaian farmers produce cocoa. Ghana's production strategy is based on vertical productivity intensification and diversification: in other words, intensive cultivation can help to farmers to produce more cocoa on less land.

Dr. Emmanuel Opoku, Deputy Chief Executive officer of the Ghana Cocoa Board provided a more detailed explanation about sustainable cocoa agroforestry systems in Ghana. He explained that in Ghana, cocoa agroforestry refers to "*land-use systems where cocoa is deliberately interplanted with food crops, fruit trees and native timber tree species on the same land, in a defined temporal sequence and spatial arrangement*". The expert acknowledged that this traditional Ghanaian system can be further boosted through research, which can identify specific trees that are more compatible with cocoa and can increase resilience against diseases.

The cocoa production model in the country drives reforestation and afforestation. It is also compatible with climate change adaptation, for shaded cocoa systems increase resilience and improve agro-ecosystem functions at plant, plot and landscape levels. He affirmed that medium shade systems promote soil health, longevity of standing crops and high yields in the long-term.

Mr. Jérémie Kouassi, Director of Agricultural Development Support, Conseil du Café - Cacao (CCC) started his presentation by stating that, without forests, Cote d'Ivoire cannot cultivate cocoa, since the effects of climate change are already being felt in the country. He explained that Côte d'Ivoire has put in place a system to supervise producers and promote good agricultural practices. Within the National Agency for Agricultural Development, there is an entire department dedicated to disseminating sound agricultural practice to producers of coffee and cocoa. The director informed the audience that, today, the CCC has developed the necessary tools to understand the typology of farmers, and each farm's geographical location. The recent census reveals that approximately 85% of production comes from unprotected areas, while 15% come from within classified forests. With this type of information, Côte d'Ivoire plans to build a rigorous cocoa production policy, taking into account the interests of all actors.

With reference to the environmental pillar of sustainability, Mr. Kouassi clarified that there is a system in place to fight against pests and diseases, including a research programme. The aim

is to develop varieties that are more tolerant and more resistant to pests. All farmers affected by pests and diseases receive support and one hundred thousand hectares of land have already been treated. In partnership with the Ghana Cocobod, the CCC has set up a programme to isolate the spread of diseases across the shared border.

Finally, the director briefly explained the introduction of cocoa cultivation in the country: in the 1950s until 1985, shade cocoa was the norm under traditional agroforestry practices. Thereafter, official advice was to grow cocoa in full sun systems, in association with plantain. Mr. Kouassi acknowledged that older trees cultivated under traditional agroforestry systems have retained higher productivity than those planted in full sun, and research has confirmed this finding.

The coffee and cocoa industries in Cote d'Ivoire have now set up a programme to reverse this situation: a new forestry code has been adopted, which transfers ownership of trees from the State to the farmers. The CCC hopes that this policy will incentivize farmers to protect trees. The CCC has also initiated a project to contribute to the reforestation and the spread of agroforestry practices, with a plan to plant 60 million trees over four years. For the first four years, the trees will be provided, but afterwards, with the training that will be offered, the cocoa farmer will be able to choose which trees to plant and how to maintain them taking into account the disease vectors.

Dr. Patrick Jagoret, CIRAD ABSys research unit, University of Montpellier provided a detailed expert presentation on sustainable cocoa production, focusing on agroforestry.

Dr. Jagoret started off by providing some background about the cocoa sector. He explained that the sector is affected by both economic instability (price volatility and decline) and environmental instability (climate change). He reported that high temperatures have not been compensated by annual rainfall and evapotranspiration, which leads to the deterioration of the environment and a reduction in areas suitable for cocoa production. According to the expert, the conventional cocoa farming model is reaching its limits; to correct the situation, there is a need for technical models based on:

- The establishment of cocoa farms in cleared areas, using improved varieties.
- The management of cocoa trees in monoculture or under light shade.
- Controlled use of inputs (mineral fertilisation, phytosanitary control).

He acknowledged that the spread of monoculture or simple agroforestry systems is valid if the technical conditions are respected, which is rarely the case for small farmers. For this reason, instead, cocoa farmers are witnessing a deterioration of growing conditions and falling yields, which sometimes leads to the abandonment of cocoa farms and their reconversion to other types of crops. This vicious cycle leads to forest clearance, to make way for new cocoa farms. The ultimate consequence is a model of itinerant cocoa farming and displacement of cocoa cultivation to the detriment of forest areas.

Considering these patterns, Dr. Jagoret confirmed that the sustainability of cocoa production is a major issue. To address the issue of unsustainable farming systems, it is necessary to identify a cocoa farming model - or models - that will enable cocoa farmers to move from the current model to more sustainable models that are properly adapted to future constraints. According to the expert, agroforestry systems are a possible way forward.

The expert explained that agronomists have long ignored agroforestry systems; in fact, until recently, those specialists in cocoa farming even did not recommend most of the agroforestry practices. However, several cocoa-producing countries rediscovered agroforestry systems, and the services it offers have been described by many researchers, such as the conservation of biodiversity, maintenance of soil fertility, and the diversification of production and income. The expert also specified that agroecological systems can improve soil fertility, without the use of chemical fertilisers. Those systems can also function as an alternative to pest management, reducing dependence on synthetic products.

Dr. Jagoret explained that agroecological systems can function as climate-smart systems, in which the installation of cocoa farms in sub-optimal zones (forest-savannah transition zone) can lead to a process of afforestation via cocoa farming. This process can also stock carbon in the form of biomass, offering a lever to mitigate climate change. In West Africa, conventional cocoa farming models are still dominant, but agroforestry systems do exist and can act as source of inspiration for a transition to sustainable cocoa production: for example, in Abengourou, Soubré, Konankro, Azaguié (in Côte d'Ivoire).

The expert highlighted that agroforestry research is more effective if based on interaction and dialogue with cocoa farmers and that such research can help to improve the support services available to them. The expert explained the need to move from top-down methods to those that put greater emphasis on experience and knowledge-sharing, and capacity-building.

To sum up, the expert stated that while agroforestry appears to be a credible alternative for a transition to agroecological practice in the West African cocoa sector, the implementation of more sustainable cocoa farming systems on a large scale will require action on three fronts:

- Capacity-building of cocoa farmers and cocoa farmer cooperatives.
- Investments to modernise cocoa production, including investments in innovations for productive and environmentally friendly cocoa farming systems.
- An enabling environment for sustainable cocoa production, including new services for farmers and appropriate policy design (especially in the areas of land tenure or forest management).

Mr. Taco Terheijden, Global Supply Chain Director Cocoa & Chocolate Group, Cargill, communicated the vision of the industry, which is built around prosperity and empowerment of cocoa farmers and communities. As the industry representative, he expressed his belief that sustainable production practices as fostered by the origin governments in partnership with the private sectors is the best way to achieve the goal of sustainable supply chains. He noted agroecological practices already form a significant portion of the actions undertaken under the

Cocoa and Forests initiative. He further explained that – thanks to combined efforts with cocoa-producing countries – this initiative has produced good results, halting forest loss between 2018 and 2019 and distributing seeds to plant more than 4,000,000 trees. However, there is still scope for more research and the industry stands ready to support the development and implementation of research-based agroforestry.

In the second part of his interventions, Mr. Terheijden reminded the audience that, although agroforestry is important, there are other elements that should not be forgotten: namely, the profitability and productivity of the cocoa farming. Moreover, coordination and local implementation capacity are critical. For this reason, it is crucial to engage with the farmers, and to support the role of cooperatives as the best way to engage farmers and make their voice heard.

Mr. Abdulahi Aliyu, Global Cocoa Program Coordinator, Rikolto (NGO) shared the perspective of civil society. He explained that agroforestry and diversification are not new to cocoa farmers and highlighted the need to enhance farmer participation at the design stage of the interventions. He reminded the audience that farmers need to be motivated to adopt agroforestry systems for sustainable cocoa production through the guarantee of a decent price.

Mr. Aliyu then moved on to the topic of diversification and urged stakeholders to consider food security as one of the criteria to be taken into account in the discussion on sustainable cocoa production. Finally, according to Mr. Aliyu, better access to financing for farmers and their community is essential to assist in the adoption, implementation and economic sustainability of agroecological systems.

Mr. Aliyu suggested that financial partners and other stakeholders, including the EU, should offer financial support to address the specific constraints cocoa producers face. Financial institutions should offer loans at lower rates. They should also take into account currency fluctuations. To invest in agroforestry systems, he insisted, finance is key, going hand in hand with the achievement of sustainable cocoa production.

Mr. Mathieu Desantoine, Marketing Coaching Program officer, Enabel focused his presentation on the importance of the economic pillar in advancing the other sustainable development pillars: social and environmental.

The professionalisation of farmers and cooperatives, in particular, is essential to promote ecological sustainability. Cooperatives' management capacities need to be upgraded and their links to the market strengthened. Partnerships led by Enabel aim to achieve exactly this: financial management, governance and assistance to enhance the links between farmers and their cooperatives. The Enabel program also works on commercial management and capacity-building, with a focus on access to the market. The idea is to equip farmers to negotiate with cocoa buyers.

Mr. Desantoine also underlined the importance of coaching, in opposition to training or consultancy. A participatory process, using co-creation and collective intelligence techniques is also crucial to attain sustainability. With this, Mr. Desantoine means sustainability in terms of appropriation of the needed changes, to ensure that the changes will last and remain when the project/support is ended.

Ms Sonia Lehmann, GIZ, Project leader of PRO-PLANTEURS (joint project of the German government, the Ivorian government and GISCO), focused her intervention on recommendations for ensuring cocoa production in agroforestry systems in the long term. The recommendations result from the experience of project implementation. PRO-PLANTEURS is a project that aims to improve the living conditions of cocoa farmers and make a positive contribution to the conservation of natural resources. Therefore, agroforestry systems are an important component of the project (among other topics).

Before starting, Ms Lehmann stated that the initiatives “*Cacao ami de la foret*” and the “Cocoa and Forests Initiative” have done good first steps, putting the topic on the agenda in the country, mobilizing the actors and motivating farmers toward agroforestry. This has made it easier for projects like PRO-PLANTEURS to step in and work with farmers on agroforestry.

PRO-PLANTEURS experience shows that the benefits of agroforestry are clear (as mentioned in the previous presentations), but these benefits need to be made visible for farmers. Agroforestry systems must “work” for farmers in order to ensure the survival of this production model in the long term. As a means to get there, cocoa farmers adopting agroforestry systems expressed the need for concrete recommendations for the management of the production system (how many trees, the type of trees and agricultural products, how much shade); cocoa growers also voiced their questions about the provision of planting material in time, in quantity and quality, according to the GIZ representative. Production levels of cocoa must at least stay at the level of the production system utilized before; market solutions have to be in place for the additional farm products (like manioc, bananas, cashew, hevea). Nevertheless, the best way of making the system work is to make it economically interesting for the farmer, Ms Lehmann affirmed. Interesting alternatives improving income sources for farmers and the recognition of environmental benefits through the payment of incentives or premiums for product certification are possible solutions to be considered.

To conclude her presentation, Ms Lehmann stated that agroforestry systems can only be ensured in the long term if they are efficient and economically viable for farmers. PRO-PLANTEURS is working with its partners on solutions to offer farmers such as agroforestry systems.

Mr. Gueye Emerson, Ivorian cooperative ECOYA described his and ECOYA’s experience with cocoa farming in Cote d’Ivoire. They have experienced climate change over the decades and as such, they are capable of understanding the consequences of this phenomenon and how agroforestry can assist in coping with this challenge. Mr Emerson detailed the difficulties faced

on the ground such as the scarcity of fertile land; recurring droughts, which have had substantial consequences on the farmers' production portfolio and their budget.

He explained that the cooperative has proposed several regeneration programs, including different shade trees according to local needs and in accordance with the requirements of certification bodies. He complained that the certification process takes place over a short time period, and there is no follow-up. He also pointed out that it is difficult to source the trees needed for good agroforestry cocoa production.

In the second round of comments, Mr. Gueye added that it is necessary to involve well-established cooperatives in the design of projects cocoa-producing regions because these cooperatives already have the database, the connections, the statistics and the more precise information, closer to the local reality.

Q&A

Mr. Regis Meritan, European Commission, DG INTPA, in response to a question on connection between cocoa prices and producers' capacity to invest and maintain agroforestry parcels, insisted that one cannot hope to influence farmers' practices without increasing the price of cocoa. This is actually the starting point of the EU initiative, which seeks to seize the opportunity created by the Living Income Differential initiative to encourage the internalisation of negative externalities related to cocoa production. Mr. Meritan further added that there is a need to develop a new product – one that ensures better livelihoods, better protection of forests and better protection of children – by upgrading the quality of the production systems on the basis of land farmers have at their disposal today.

Dr. Patrick Jagoret, in response to a question on the acceptability of agroforestry systems to farmers, explained that agroforestry implies a selection of the most appropriate types of vegetation: e.g. those that are more resistant to drier weather. This can be done without reinventing the whole system in place; instead, stakeholders need to adapt current practices and enhance capabilities on the ground. He also explained that agroforestry approaches have evolved to introduce trees and plants that offer non-monetary services, such as shade and preservation of soil fertility.

Mr. Taco Terheijden, explained that the costs of implementing these agroforestry practices should ideally be shared with all the stakeholders in this particular supply chain. According to him, this would expedite the adoption of agroforestry practice process. He added that there is a role for each partner in incentivising the popularisation of agroforestry systems.

Hon. Aidoo, speaking on behalf of the **Ghana** Cocoa Board explained that cocoa cultivation is done in different layers, with a variety of species each . At any point, one of these species may end up dominating the others. According to Mr. Aidoo, cocoa is not a natural forest, but incorporates diverse species such as black peppers, plantain, banana cultivated together with cocoa and forest trees. Together, they form an ecosystem that provides carbon sequestration

and carbon storage. As such, Hon. Aidoo reiterated that Ghanaian farmers are operating in a sustainable manner. He concluded by highlighting that there should be a balance between economic and environmental pillars. Price compliance is also part of the balance and as such cocoa buyers should comply with the price. He advised that the EU should take this perspective into account while designing their due diligence legislation.

In his concluding remarks, **Mr. Jérémie Kouassi of the *Conseil du Café-Cacao (CCC)*** mentioned the introduction of the new Forest Code in 2019, which tries to solve the concerns that farmers have about planting trees in their land, by providing them with property rights. However, the Code is not yet well-known among cocoa producers; so a campaign has been launched to inform farmers about their rights. With regards to the cost-sharing of the adopting agroforestry, Mr. Kouassi affirmed that there is no choice: climate change forces the adoption of agroecological systems as the best alternative to face the effects of global warming. Buyers and traders can contribute with suitable prices, creating an incentive for farmers .

Ms. Cristina Miranda Gozalvez, European Commission, DG TRADE closed the meeting by thanking the participants for the lessons learnt in the field of agroforestry, which can be spread across the cocoa supply chain. She emphasized that there is a broad consensus on the extensive adoption of agroforestry practices throughout cocoa value chain. Agroforestry practices on cocoa farms is not unheard of; however there is substantial space for its further adoption and development. In this regard, stakeholders can count on the European Commission for support in the adoption of agroecological systems in the cocoa sector.