



# THE COCOA SNAPSHOT

19/20 FULL-YEAR REVIEW

Bringing you news and updates about the Cocoa Horizons Program from around the world.

The Cocoa Horizons Foundation aims to improve the livelihoods of cocoa farmers while protecting children and nature. The program is currently present in Côte d'Ivoire, Ghana, Cameroon, Brazil, Indonesia and was additionally launched in Ecuador\* this year\*\*.

The COVID-19 pandemic has once again underlined the importance of a sustainable supply chain. The protection of employees, coaches and farmers was our key priority. While strict precautionary measures were in place, we could thankfully continue certain activities to support farmers and their communities. In addition, the Foundation supported farmers with soap distribution, water stations, masks, sanitizers and information related to COVID-19.

\*The operations in Ecuador are not covered in this report due to Covid-19 restrictions for verification purposes.

\*\*Fiscal year ends on 31st of August 2020



## SCALING IMPACT AND DRIVING CHANGE THROUGH PRODUCTIVITY, COMMUNITY AND ENVIRONMENTAL ACTIVITIES

### THE COCOA HORIZONS PROGRAM COVERS:



### THE PROGRAM REACHES:

- Farmer Group and Group Member requirements
- Traceability of cocoa from farmers to Barry Callebaut buying site
- Farmer graduations and Capacity building of Farmer Groups
- Targeted cocoa productivity and income generating activities
- Targeted community activities with a focus on child protection
- Targeted environmental activities
- Transparency of premium flows



### FARMER GROUP AND GROUP MEMBER REQUIREMENTS:

100% of farmer groups respect and sign:



#### FARMER GROUPS



The Supplier Code



The Cocoa Horizons Convention\*

\*including the Child Labor Charter and the Declaration on Protected Forests

- Globally **181** farmer groups (**30** new) delivered Horizons cocoa, a 20% increase versus previous year.
- **111,677** registered farmers delivered COH cocoa beans this year (an increase of **31%** vs last year).



63,025 in Ghana



1,502 in Indonesia



40,861 in Côte d'Ivoire



483 in Brazil



5,807 in Cameroon

- Successful introduction of the program in Ecuador (**304** farmers) with a focus on program promotion and farmers' data collection while establishing the infrastructure to implement COH activities.








Complete and accurate farmer data is key to design, tailor and prioritize the activities to best suit farmer needs. Due to the rapid expansion of the program **106,199** farmers registered in the program are already covered with **full data**. Equivalent to **75% (83,197)** of the farmers delivering Horizons cocoa.



# TRACEABILITY OF COCOA BEANS



- 111,323 MT of Horizons cocoa beans delivered (up 24% vs last year)

➔ 	50,321 MT in Côte d'Ivoire	➔ 	1,987 MT in Brazil
➔ 	47,509 MT in Ghana	➔ 	1,000 MT in Indonesia
➔ 	10,506 MT in Cameroon		

- As the demand for the program increases, there is growth reflected in the existing origins, with building capacity in new origins like in Brazil, Indonesia and Ecuador (1,503 MT).
- All Horizons cocoa is traced from farmer to first Barry Callebaut buying sites. From there, it follows mass balance principles.



## COCOA HORIZONS ACADEMY



Cocoa Horizons continues the roll out of a farmer graduation system. It allows the evaluation of training outcomes, knowledge retention and gaps especially in new farmer groups.

Good Agricultural Practices, Social and Environmental aspects are covered.

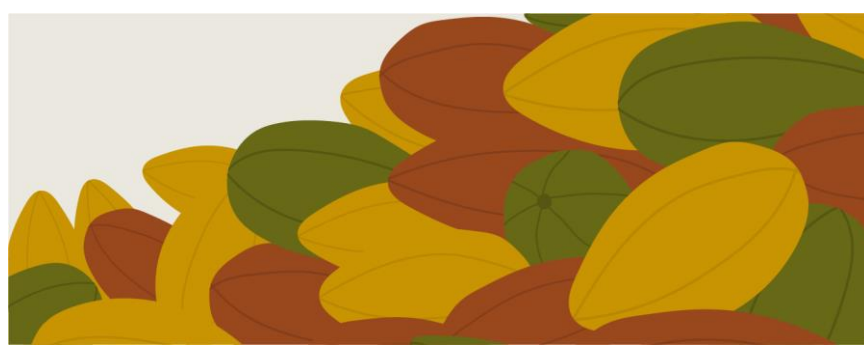
This year 60,870 farmers successfully graduated, out of a total of 81,160 assessed, representing a success rate of 75%.

This process is the first step before moving into more personalized coaching and increasing practice adoption.

The goal is to assess 100% of the farmers over the next years.








## PROSPERING FARMERS



Improving productivity of cocoa farms is a key area of focus. The Farm Business Plan is the cornerstone of the process to improve the livelihoods of farmers and their communities.

Through the Cocoa Horizons paid infrastructure:

- 36,324 farmers had access to a Farm Business Plan. This is an increase of 266% versus prior year.

➔ 	17,672 in Côte d'Ivoire	➔ 	204 in Brazil
➔ 	14,684 in Ghana	➔ 	308 in Indonesia
➔ 	3,456 in Cameroon		

- 15,020 farmers received productivity packages of which 49% resulted from Farm Business Plan adoption.
- 1,391,170 cocoa seedlings were distributed (+79% vs last year).

## Farmers out of poverty

Supporting the farmers with innovative farm services, including personalized coaching and income diversification activities, is key to address the poverty challenge.

57,495 farmers in the program (40% of the total) are above the World Bank poverty line of USD 1.90/day.





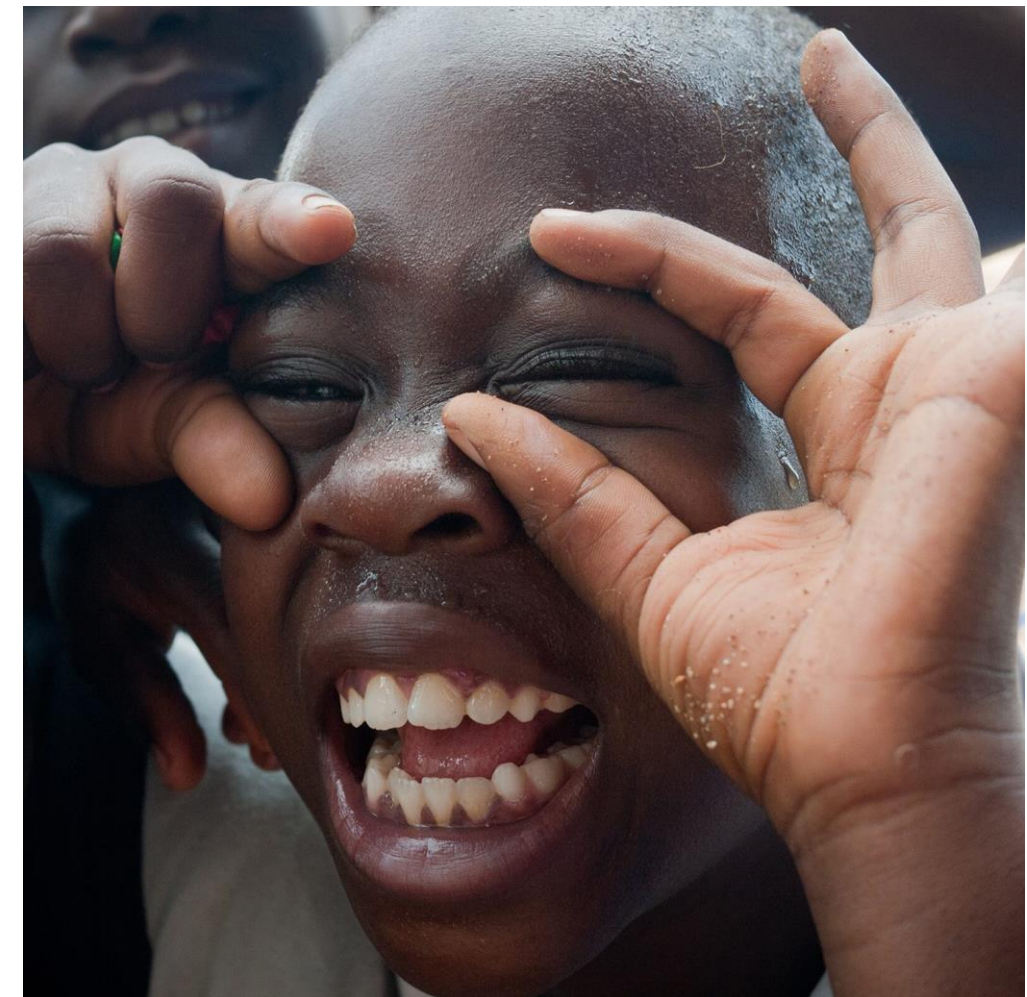
# COMMUNITY



## Eradicating Child Labor - Direct approach

Cocoa Horizons continues to scale up the coverage of CLMRS in the supply chain, while in parallel starting a risk based approach, in order to cover more farmers in a more efficient way.

- **110** farmer groups covered by CLMRS activities (up **162%** vs prior year). This represents **61%** of all farmer groups.
- **81,892** children participated in a child labor identification monitoring survey (**+182%** vs prior year). This led to the identification of more cases to be remediated of up to **22,519**. This means that 72% of the children interviewed were not involved in Child Labor.
- **335** cases were successfully remediated and **4,786** cases are currently under remediation (**+105%** vs prior year).



## Eradicating Child Labor - Community engagement

While individual remediation is critical, prevention activities are needed to tackle the root causes of child labor in the long term.

- **38** communities in Côte d'Ivoire reached by the Cocoa Horizons truck providing services such as sensitization on child protection, medical check-ups and community engagement. This activity was limited due to Covid-19.
- **17,451** community members sensitized on child labor in Côte d'Ivoire.

### Women's Empowerment & Child Protection

As studies show, when women earn an income, they tend to invest in their children's future and in their communities. That's why the program invested in women's empowerment by developing Village Savings and Loan Associations (VSLA's). This activity helps, among other things, to promote a child-centered approach, build self-confidence for women and offer financing solutions for farmers.

This year, **800** VSLA's were established mainly across Côte d'Ivoire and Ghana.



# ENVIRONMENT



Through farm mapping we are making sure the cocoa is not coming from protected areas. At the same time we focus on activities such as sensitization but also providing green energy to cocoa communities.

**76% of farmers delivering Horizons cocoa demonstrated that they are not contributing to deforestation.**

Under the Environment pillar, the following activities were performed:

- **1,574,758** shade trees distributed
- **4,191** cook stoves distributed
- **85,647** farmers were trained on Environmental protection

Through these investments, **132,523 tons** of CO2 was sequestered.



# OUTLOOK



This year the Foundation concentrated its efforts on scaling up high impact activities to drive change, and building upon learnings from the previous years.

To continue focusing on improving the livelihoods of cocoa farmers while protecting children and nature, the program will channel its activities towards:

- **Strengthening farmer groups capacity to take ownership on sustainability activities**
- **Accompanying farmers in the establishment of agroforestry systems**
- **Supporting farmer groups in West Africa to become compliant with the African Regional Sustainability Standard**
- **Increasing internal control resources to support the program expansion**





# COCOA HORIZONS PREMIUM DISTRIBUTION:

(in CHF)

2019/2020



**COCOA HORIZONS PROGRAM INCOME**  
Horizons Program contributions

17,664,267

## COCOA HORIZONS PROGRAM EXPENSES

Farmer and farmer organization premium

4,367,172

Productivity expenses

6,026,921

Community expenses

3,013,551

Environmental expenses

1,177,429

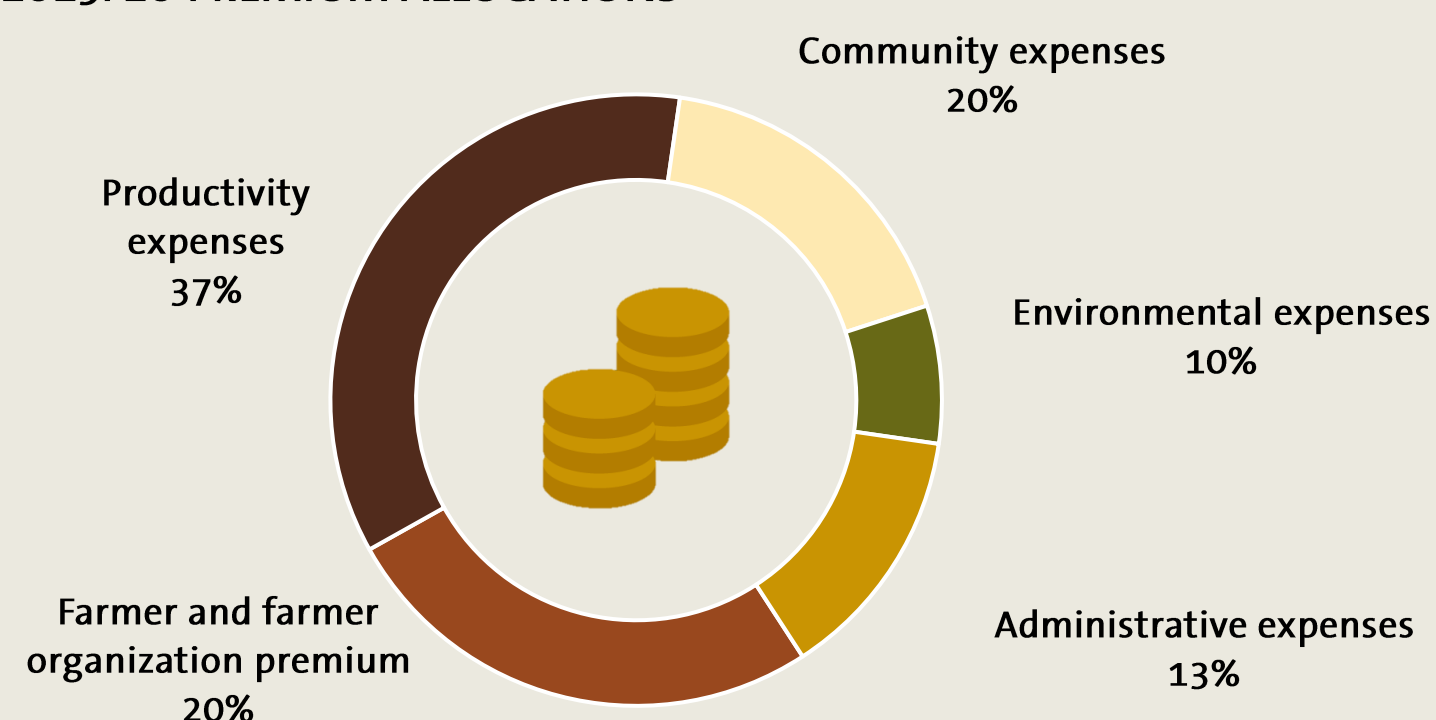
Administrative expenses

2,254,608

The above is an extract from the Foundation's annual regulatory return. The Foundation's financial audit is performed by PricewaterhouseCoopers AG, Switzerland. Supplementary program income less expenses carried over to next Fiscal year.



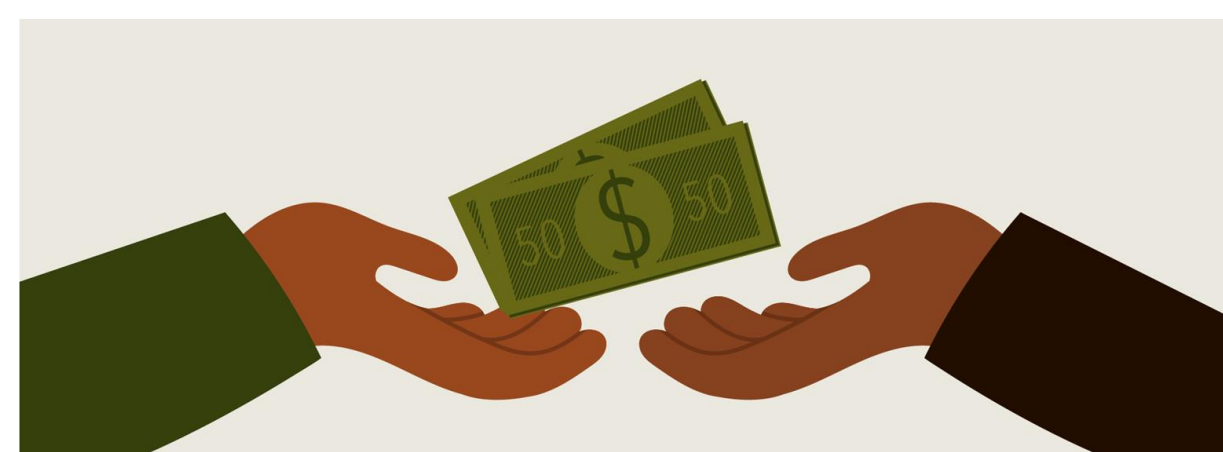
## 2019/20 PREMIUM ALLOCATIONS\*



\*Actual allocations may vary by +/- 5-10% based on local conditions and situational specifics.

**CÔTE D'IVOIRE, GHANA, CAMEROON,  
BRAZIL, INDONESIA**

100% of the farmers who delivered Horizons cocoa have received the Cocoa Horizons Premium.



All of the information contained above was verified by PwC. The performance indicators in this Snapshot (except those marked with an \*) represent extracts from the Cocoa Horizons Foundation Update Report for the year ended 31 August 2020, for which PricewaterhouseCoopers LLP (PwC) were appointed to provide independent assurance. PwC performed an assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), the scope of which was to provide limited assurance over the KPIs contained within the Update Report.

The Update Report, and PwC's Limited Assurance Report, can be found at <https://www.cocoa Horizons.org/reports>.





# FARMER TESTIMONIALS

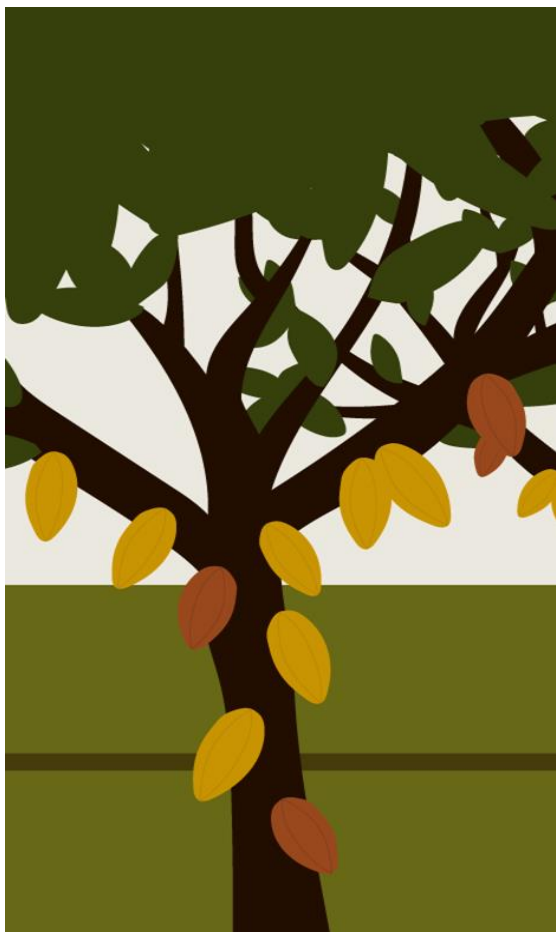
## GHANA



**ANTHONY**

«A loan granted to me by the group enabled me to undertake all cultural practices on my farm just in time. Through the VSLA I am assured of my portion of money contributed unlike most MFIs (Micro Finance Institutions) which collapse overnight leading to loss of savings. Having acquired skills in vegetable production, I intend cultivating as an additional means of livelihood.»

## CAMEROON



**CHRISTOPHE**

“I was a little hesitant to subscribe to a package as it was a new initiative. What convinced me were the advices from my coach and the fact that there will be sprayers to apply chemicals in my farm under my supervision. I am very happy now to be part of this and I really hope to harvest more cocoa than last year.”



## CÔTE D'IVOIRE



**SEVERIN (coach)**

«One of our biggest challenges is to make farmers understand the necessity of pruning cocoa trees. Most don't want it, believing that the more leaves a cocoa tree bears, the more pods it produces. However, we were able to carry out pruning activities with one of our producers, and this served as a model for the others. At present, his cocoa trees are the most fertile in his area, resulting in big and beautiful pods. It is estimated that the increase in yield for a pruned cocoa tree is between 40-60%.»

**ADAMA (farmer)**

**“I've never seen so many pods on a cocoa tree on my plantation before.”**



## ECUADOR



**MARIO**

«Receiving the drone map\* is innovative, the benefits of the program enrich my knowledge, my production and community.»

\* Cocoa Horizons piloted drone technology in FY20 to innovate practices related to mapping farms.

