

To access the all our reports, follow this link: https://www.cocoahorizons.org/reports

The Cocoa Snapshot Mid-year 2023-2024 Driving positive change in cocoa farming

What is Cocoa Horizons?

Cocoa is typically produced by smallholder farmers in remote equatorial areas. The supply chain faces considerable challenges such as farmers with limited resources to invest on their land, high child labor prevalence, human rights abuses, aging trees, depleted soils, climate change effects, lack of basic community infrastructure such as schools, access to safe water or paved roads.

In 2015, Barry Callebaut established the Cocoa Horizons Foundation with the vision to drive cocoa farmer prosperity by creating self-sustaining communities which protect nature and children.

The program is implemented across 7 countries by Barry Callebaut entities. In Côte d'Ivoire, we also collaborate with Touton, Sucden and ETG to expand our activities.

Impact and transparency are at the core of our activities; that's why through our annual audited report, we share how the funds are spent to achieve tangible results for farming communities.

SUSTAINABLE DEVELOPMENT By partnering with Cocoa Horizons, you support the UN Sustainable Development Goals: <u>https://www.un.org/sustainabledevelopment</u>

Disclaimer related to the use of UN SDGs: The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States.



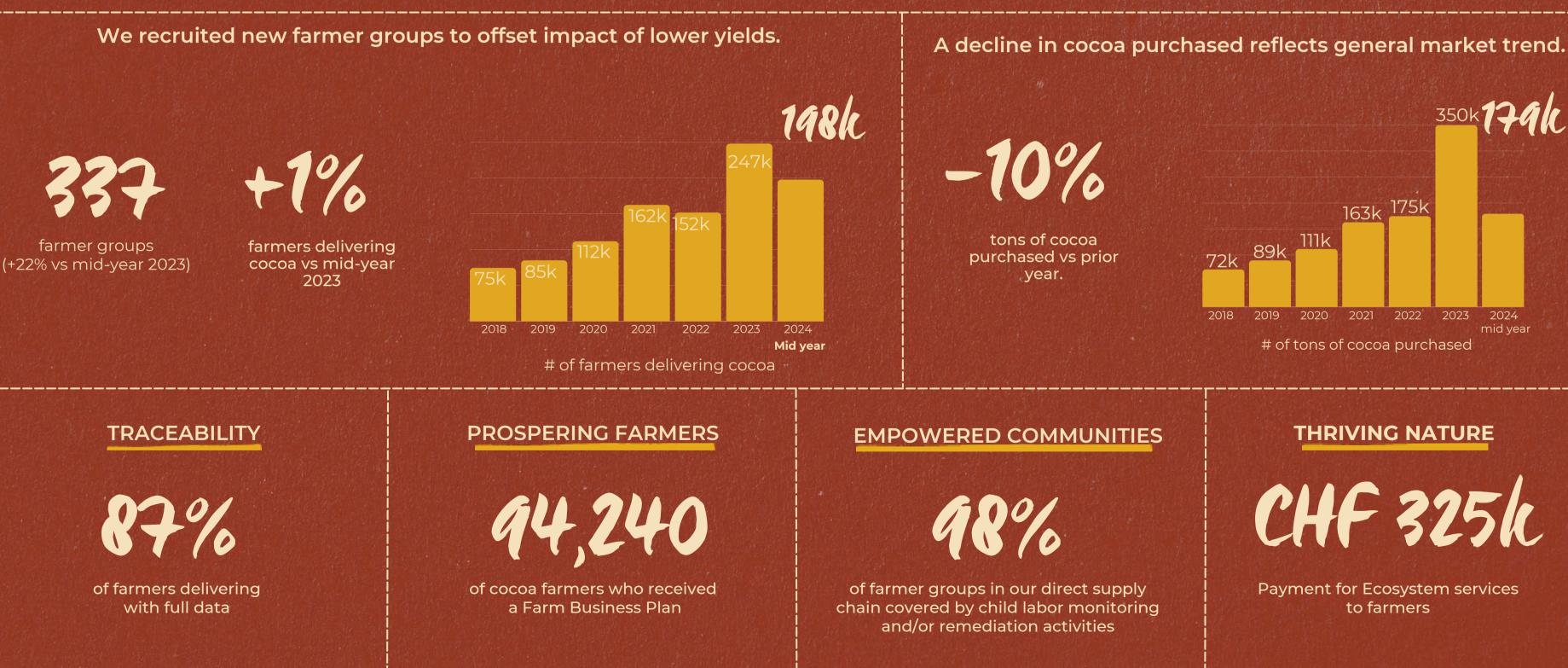
Executive Summary:

In the first half of the year, amidst a very challenging year for cocoa communities due to a poor harvest, Cocoa Horizons has been working side by side with farmers and made significant strides in key areas of focus:

- 87% full data collection on farmers, a key step towards full traceability, and compliance with the upcoming EUDR (European Union Deforestation Regulation) legislation.
- 24% increase in Farm Business Plan adoption, demonstrating farmer commitment to investing in productivity.
- 256% increase in membership of VSLAs (Village Savings and Loans Associations). Women account for 75% of total VSLA members.
- A programmatic pivot to a community-based child labor remediation approach focused on identifying root causes and strengthening local child protection systems.

This momentum fuels our drive to accelerate impact and create lasting change for cocoa communities for the rest of the year and beyond.





The farmers we support

To understand the farmers we work with and their challenges, we collect information through census. This data empowers us to tailor our activities to address the complex issues affecting cocoa communities. This proactive approach has given us a strong foundation to adapt to upcoming EU regulations.

KEY DATA AND FACTS Côte d'Ivoire 58% Ghana 29% 5% Cameroon Majority of farmers 197.651 in Côte d'Ivoire 2.5% Indonesia and Ghana Nigeria 2.5% farmers delivering cocoa 1.5% Ecuador 1.5% Brazil vs prior year 0 6000 16% average size of average age in CDI are women household in CDI It means we know the identity of the farmers, their family, their sources of of farmers delivering income and the location and size of their with full data cocoa plots.



Prospering farmers

This unprecedented year of high prices and low yields has created both challenges and opportunities for farmers. Cocoa Horizons continues its work to enhance farmer livelihoods and the sustainability of cocoa farming.

Less training, more doing.

- Our shift from a traditional training approach to a more action-oriented strategy continues to show encouraging results in the first half of the year.
 - Farm Business Plans (FBPs): The 24% increase in FBP adoption demonstrates their value.. This demand reflects their success in helping farmers optimize yields and income through tailored recommendations and input packages.
 - **Pre-Harvest Support:** Farmers are becoming more open to our pre-harvest labor support model as they see its potential to address the challenge of labor shortages and to increase yields. Our experience has demonstrated that deploying these activities just before the rainy season ensures the best return to the farmer.

- **Productivity Packages:** Farmers increasingly recognize the value of productivity packages in boosting yields and income, particularly with the right application of fertilizers and insecticides. To maximize impact, we are timing distribution to coincide with the rainy season expected to start in May, hence the 36% decrease vs prior year.
- Income Generating Activities: IGAs have demonstrated positive results in providing income diversification for farmers, particularly during off-peak seasons. While successful, there is significant potential to expand these programs, reaching even more farmers and fostering greater economic resilience within cocoa communities.

Looking Ahead

Our focus for the rest of the year will be on scaling pre-harvest support, ramping up IGAs, and distributing the majority of productivity packages and seedlings. Farmer data will guide this expansion, enabling us to tailor services effectively for the evolving needs of cocoa communities. I've been a coach for the past three years. Since last year, I work as the head of the labor team. I came to this position because I had a great track record as a coach.

A lot of farmers initially resist when we show up to prune their farms. Many don't stay to witness the work because it saddens them to see us chopping of the branches and leaves of their precious trees but once they see the results, they become super happy and always request that we come back.

> Kouamé Koffi Sylvain, Head of a labor team, Bousoukro, Côte d'Ivoire

Prospering farmers





. 9 44,240 +24%

> farmers who received a Farm **Business** Plan



-36% vs prior year

farmers receiving a Productivity Package

6 +1% vs prior year





cocoa seedlings distributed in Ecuador with other countries scheduled for second half of the year.

Empowered Communities

Building Resilient Communities

Driving Economic Growth with VSLAs

There is a growing enthusiasm for Village Savings and Loans Associations (VSLAs) with adoption spreading to more operating countries. With a 256% increase in membership vs last year, VSLAs are becoming a powerful force for:

- Economic Empowerment: Members are taking loans to support incomegenerating activities (IGAs), strengthening household economic stability.
 - **Community Development:** VSLA success motivates community-led projects, such as contributing to the construction of schools.
 - Women's Independence: 75% of VSLA members are women which has been key in fostering financial independence and transforming household dynamics for the better.

While VSLAs demonstrate positive impact, ensuring their long-term sustainability requires continued capacity building, particularly when project-driven support ends.

Building initial trust and engagement within communities takes time, demonstrating the need for long-term commitment.

Addressing Child Labor at the Root

Our shift to a community-based child labor prevention and remediation strategy focuses on addressing root causes. Extensive research has highlighted the limitations of traditional individual-focused monitoring systems in creating sustainable change.

This new approach is supported by our due diligence process and aligns with the growing urgency to implement scalable, rights-based solutions. It encompasses:

- Identifying Root Causes: We focus on understanding and tackling the underlying factors contributing to child labor, such as poverty and lack of access to education.
- Strengthening Systems: We are collaborating with governments and local partners to bolster national child protection systems and ensure effective government services reach vulnerable communities.
- **Continued Monitoring:** Farm observation surveys remain essential for identifying potential child labor cases, ensuring continued vigilance within our cocoa supply chains.

We are committed to creating a future where child labor has no place in our cocoa supply chain. The Community Development Committee was founded 3 years ago. There are 12 members. The first project we started with was the water pump. No one was managing it and it was not working. Now, when there is a problem, we sit together as the committee and we try to find solutions. The pump is now fixed and someone has been designated to maintain it.

Yao Kouamé Norbert, Community Development Committee member, Golikro, Côte d'Ivoire

Empowered Communities



of farmer groups in our direct supply chain covered by child labor monitoring and remediation activities

6,414 child labor cases identified

39,670 +**39%**vs prior year child labor cases

under remediation



13,823 +541% vs prior year

child labor cases remediated











of VSLA members are women



Halfway through the year, Cocoa Horizons continues to progress towards a deforestation-free cocoa supply chain.

We are expanding traceability and agroforestry, raising farmer awareness on environmental protection, and partnering strategically to maximize our impact.

Traceability:

We have made significant progress in traceability, achieving 87% coverage in full data collection across member farmers. This puts us in a strong position to meet upcoming EU Deforestation Free regulation (EUDR) requirements by 2025.

Agroforestry:

We are also leveraging our detailed understanding of farmers to tailor agroforestry initiatives. Integrating farmer preferences into the selection and management of agroforestry systems has also significantly enhanced adoption.

Farmer training on environmental Protection

Alongside expanding agroforestry, we are investing in farmer knowledge to ensure the long-term success of these systems. To date, about 24 000 farmers have been trained in sustainable farming practices and environmental protection. These training programs focus on enhancing biodiversity and maximizing carbon sequestration.

Partnerships such as in regions like Ivory Coast with the Ministry of Water and Forest (MINEF), have been pivotal in aligning our initiatives with national and international environmental objectives.

Looking ahead

We will scale our agroforestry efforts. Seedling distribution will peak in the second half of the year to optimize survival rates.

Additionally, we will further strengthen deforestation-free due diligence processes, helping our partners meet EUDR standards and ensuring our path towards a sustainable and compliant future is both impactful and effective.

The forest creates a lot of jobs, and the farmers have been engaged and interested in the Agbo 2 Forest protection project. It is even a matter of pride in the community.

66



Basile Houters, Forest Restoration Manager, Eticwood

Cocoa Horizons - Mid-year snapshot 2023/2024





87% +27% of farmers delivering cocoa with farm

size and location data.





Payment for Ecosystem Services to farmers



shade tree seedlings distributed to farmers in Ecuador. Other countries scheduled for second half of year.





farmers trained on environmental protection this year so far.



Our Forest Positive Approach and EUDR

Next to our efforts on traceability and agroforestry, and in partnership with Barry Callebaut, we are taking significant steps to meet our forest-positive objectives and comply with EUDR due diligence requirements.

Barry Callebaut employs a comprehensive risk assessment approach, evaluating risks at country, regional, supplier, and farm levels. Additionally, supply chain tools to assess and mitigate risks of non-compliance are currently being embedded into the various sourcing steps of Cocoa Horizons products.

This robust due diligence approach, coupled with investment in forest protection in landscapes where cocoa is at high risk of being associated with non-compliance for EUDR ensures that Barry Callebaut will demonstrate no or negligible risk of non-compliance for Cocoa Horizons products from high-risk countries entering the EU market.

How to tell your sustainability story?

By being a Cocoa Horizons partner you have access to a rich communication toolkit accessible on the Cocoa Horizons website via login. The toolkit contains videos, pictures, logos, claims, posters etc. With these tools, we want to help you engage your customers on sustainability, show how you are committed to drive impact and increase the demand for sustainable cocoa.

Our communication toolkit: to drive awareness and differentiate your brand online, offline and on pack

n -		

- Videos
- Imagery
- Logos and claims
- OR code
- Brochure
- Roll-up banner
- Posters
- Stickers
- Application tags
- Cocoa Horizons Certificates
- Social Media



























