



ROADMAP: CARGILL

Background

At the 2022 General Meeting of the German Initiative on Sustainable Cocoa (GISCO), it was decided that the preparation of individual roadmaps by each GISCO member and annual public reporting on commitments and milestones included in these roadmaps is a valuable and mandatory contribution to achieve [GISCO's objectives](#).

In addition to the monitoring and based on the [GISCO roadmap](#) which lists the goals, targeted indicators and recommendations for action of the German Initiative on Sustainable Cocoa on the focus topics of certified/independently verified cocoa, traceability, deforestation/agroforestry, child labor and living income, the members of GISCO draw up individual roadmaps on these focus topics, which are published on the GISCO website.

More information on the individual roadmaps can be found in the [background document](#).

Member's comment on the roadmap:

Traceability

Commitment:

100% farmer-to-plant cocoa bean traceability in our direct supply chain and 100% chocolate ingredients sourced in line with our sustainability code of conduct by 2030. 100% polygon mapping of supply chains in the six countries from where we directly source cocoa by 2030.

Milestone:

By year 2025, Cargill's direct sourced sustainable cocoa will have 100% Approved no-deforestation polygons, and 100% first mile digital traceability system (barcodes) back to farm level.



Challenge:

1. **Technical capabilities for polygon mapping at scale** – we continue to invest in our capabilities with our implementing partners. Any sharing of best-practices by GISCO would be welcome.
2. **Farmer turn-over within cooperatives** – while companies operate sustainability programs, farmers are free to choose their route to the market. There remains ongoing turnover of farmers with specific supply chains. National systems would support ensuring farm locations can be accessed across supply chains.
3. **The pace of polygons on national cocoa traceability systems and database** – Cargill is heavily engaged in pre-competitive dialogue to encourage and share own experiences on traceability systems. Increased and coordinated support from the various ISCOs is needed to ensure a common, interoperable, and credible system is established.

Certified and independently verified cocoa

Commitment:

Cargill will continue to source third party certified and independently verified sustainable cocoa, according to market demand. Cargill has set internal targets to drive market conversion and uses this to encourage market adoption of more sustainable practices. However, this is ultimately at the market discretion.

Challenge:

1. **Consumer demand for sustainable cocoa-containing products is perhaps the single largest level for effecting change in this goal area.** GISCO's work to educate stakeholders in cocoa consuming countries such as public policy makers, civil society, and consumers on both the challenges that exist in the supply chain and how their purchase of sustainable cocoa can support better outcomes will help drive demand for more sustainable products on shelf.
2. **Harmonization of product and service solutions to marketplace.** The many standards, commitments, can make it challenging to operationalize and deliver cost efficient solutions to the marketplace, at scale. It's important to encourage harmonization of commitments and recognize standards across marketplaces.

Deforestation/Agroforestry

Commitment:

To be submitted in 2023.

Milestone:

To be submitted in 2023.



Challenge:

1. **Deforestation differentiation by supply chain difficult.** Need to continue working towards a national traceability system and deforestation risk assessment protocol. Increased and coordinated support from the various ISCOs is needed to ensure a common and high-performing system is established
2. **Illegal deforestation by timber companies in certain regions, and unclear land tenure, makes farmers reluctant to plant trees for fear of their parcel being damaged or land being compromised.** On-going support to tackle root causes of deforestation through community education and national legislation for land rights should be prioritized by inter-company bodies and their technical assistance to origin governments.
3. **Clarity from origin governments on forested area definitions** – specifically around classified forest delineation (including clear datasets of forested areas), and definitions of agroforestry in forested areas.
4. **Harmonized risk monitoring systems are needed to ensure effective forest protection.** Per point 3, there is a need to continue to drive clearer definition of forest delineation and translate that into more harmonized risk monitoring systems. This will ensure that the industry has a consistent picture, but also that all contributing industries can have the same baseline.

Child Labor

Commitment:

To be submitted in 2023.

Milestone:

To be submitted in 2023.

Challenge:

1. **Local government capacity for social services can be strengthened.** Coordinated support from the ISCO community could support more capacity building for local government authorities to provide direct remediation where possible at a community level
2. **Harmonized reporting requirements.** While progress has been made by ICI and other partners on harmonizing definitions, ongoing work is needed to support better harmonization in reporting requirements across the industry.
3. **Support on landscape approaches.** As companies explore ways to more effectively deliver services through landscape approaches, support from the ISCO community on creating conducive environments for discussion and pre-competitive collaboration will help accelerate this shift in delivery models.



Living Income¹

Commitment:

Cargill implements a series of holistic programs designed to sustainably increase the incomes of cocoa farming households, on behalf of or in collaboration with key customers. Examples include the Nestle Living Income Accelerator Program, and the Awale rural entrepreneurship program, funded by Cargill and our gourmet chocolate brand, Veliche. Cargill will continue to explore and grow its portfolio of programs to support farmer livelihoods and incomes.

Cargill's bespoke Farm Economic Model uses farm-level data collected during our farmer coaching survey, alongside literature-based assumptions to build our understanding of the income of households in the CCP, against benchmarks. We are planning to deepen this analytical capability, expanding the model to include producer segmentation and impact modelling, and investment recommendations, in partnership with IDH and our customers.

Cargill is an active member and funder of the Living Income Community of Practice and its Living Income benchmark research. The benchmarks are integrated into our internal analytical and reporting frameworks.

Challenge:

1. **Harmonized understanding of Living Income.** There continue to be different conversations about the calculation of living income – the more the definition and approach can be standardized, with the support of the ISCOs, the more focus can be given to the development of programs and policies to support raising farmer income.
2. **Strengthening rural economic environments** – cocoa farming households will need to generate revenue from multiple sources. Technical capability building, access to market and other productive resources will be necessary. It will be important there are clear rural action plans to strengthen economic activity across a variety of areas.
3. **Appreciating the need for holistic solutions** - Living income is a household concept, taking into consideration the contribution made by all members of the household, both on and off the farm. In this way we can engage around multiple inter-related factors that play a role in improving livelihoods – not just questions of price and productivity.

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Note:

An antitrust review on the question of whether and how to report on income and price issues at the individual level within the framework of the individual roadmaps will be carried out by mid-2023. Once the antitrust review is available, a new draft resolution on individual roadmaps with regards Living Income will be submitted to an extraordinary General Assembly. Until then, commitments and milestones on the topic of Living Income can be integrated into the individual roadmaps on a voluntary basis.