Certification and More: Achieving Impact in Cocoa Sustainability

Karin Kreider, Executive Director
WCF-GISCO Event, ISM 201
Increasing awareness
Increasing urgency
Credible standards systems: already more than certification

› Define measures for individual and collective action in a given sector

› Offer a range of services to support standards implementation

› Provide a tool for verification and for accessing market incentives
Standards influence has become mainstream

SHARE OF CERTIFIED AREA
AMONGST 7 FOCUS COMMODITIES

- Palm Oil
- Coffee
- Cocoa
- Cotton
- Sugarcane
- Tea
- Bananas

23% of global area under cocoa cultivation now certified under ISEAL member schemes
Innovation in Action: issue collaboration

Defining and measuring living wage, with 30 benchmark studies completed or underway

Exploring the possible calculation of a Living Income Reference Price (early days)
Innovation in Action: unleashing the power of data

http://www.ipm-coalition.org
Innovation in Action:
Pushing the boundaries (literally)

Water stewardship beyond the site level

Exploring jurisdictional approaches to certification – in partnership with local and national governments
Certification can lead to improved cocoa farm productivity through adoption of better agricultural practices and input support.

In Cote d’Ivoire, 50% of certified cocoa farmers said that their income had increased since certification. Net household income for certified farmers was 15% higher than for non-certified farmers (€2,343 vs. €2,013) from 2012-16. Impact of UTZ certification of cocoa in Ivory Coast, Wageningen, Netherlands, 2014.

In Aceh, Indonesia, yield among certified cocoa farmers, over a 3-4 year period, increased from an average of 300-400 kg/ha to 800-1000 kg/ha. Aidenvironment report

In Indonesia, farm surveys revealed that UTZ certified farmers had on average 687 kg/ha and non-certified farmers had 322 kg/ha. Aidenvironment report on UTZ in Indonesian cocoa, 2016.
Independent research report by True Cost on external costs in cocoa cultivation (2015)

- 60% of this change is caused by higher productivity of certified farms, 10% by better environmental conditions and 30% by better social conditions.
- Application rates of herbicides and fertilizers are higher on certified farms, yet this causes lower external costs per kg of cocoa beans, as yield increases.
- Certified farms are on average 49% more profitable than conventional farms, with a yearly profit of €341/ha vs. €229/ha.
### Cocoa, Indonesia

**Benefits of certification for farmers' performance**¹

<table>
<thead>
<tr>
<th></th>
<th>Average increase in profits</th>
<th>Average yield</th>
<th>Access to training</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Certified</td>
<td>Non-certified</td>
<td>Certified</td>
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<tr>
<td></td>
<td>69%</td>
<td>42%</td>
<td>687 kg per ha</td>
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<td>100%</td>
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### How?

Training and follow-up support **encourage** good practice. Farmers **relate** this to **higher yields**, which can **contribute** to increased profits.

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Aidenville report on UTZ in Indonesian cocoa, 2016
Ideal world?

- Farmer-focused
- Collaborative
- Credible
- Impactful
Thank you!
Find studies and business stories at www.standardsimpacts.org

Results, impacts, business case