


From the Ivory Coast to the Christmas tree: chocolate's road to sustainability

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As Christmas time is approaching, the consumption of chocolate is about to reach one of its annual peaks. In the festive season, few of us think about the origins of chocolate and how those raw, white and moist cocoa beans become our favorite dark sweet. Travelling on behalf of a client, we had the rare chance to trace chocolate back to its roots – the Ivory Coast.

"The people in the village thought I've completely lost my mind", Marcelin, a tall, handsome man with a calm voice, explains his shaky beginnings with sustainable cocoa farming. Two years ago, he was advised by a sustainability specialist to cut down more than half of his old cocoa trees and replace them with seedlings. If you are an average West African farmer, sheer shock is your first reaction. On your tiny plantation, you know every tree like they were your children; cutting any of them down feels like chopping off pieces of your future – with your own hands.

However, it turns out that there was method in the madness. Reaching the age of thirty, the yield of cocoa trees becomes critically low and it makes no economic sense to keep them. Rejuvenation, the replacement of old trees with new ones, is therefore, in fact, the smartest thing Marcelin could have done. Today, his eyes are shining as we sit and speak outside his house, surrounded by his family, sipping on a glass of sour-delicious palm wine.

After two difficult years, the new trees – some of them already three meters tall – started bearing fruit. Besides rejuvenation, Marcelin added further sustainable agricultural practices to the mix: pruning, intercropping and composting, all of which substantially enhance yields and ensure long-term sustainability of cocoa farms. And should you be asking about the concerned villagers: well, ever since they saw the success, they keep coming back to Marcelin's plantation to learn his tricks!

Tricks like these are desperately needed. The world has never been so hungry for chocolate: since 2002, the volume of cocoa grindings increased on average by 2.9% per annum, surpassing the 4 million tons mark in 2012. According to Mars Inc. and Barry Callebaut AG, two of the world's largest cocoa firms, the gap between the world demand for cocoa and world production capacity will swell to 1 million metric tons in 2015. Because of disease, drought, the expansion of new markets and the displacement of cacao by more productive crops, demand is expected to outgrow supply by an additional 1 million tons every subsequent decade. The price of cocoa, traded in London and New York, has been soaring for a long time as well: from 1993 to 2007, the price of cocoa averaged \$1,465 a ton; during the subsequent six

years, the average was \$2,736, which represents an increase of 87 percent.

The main consumers of chocolate are us, Westerners. Accordingly, American and European companies generate the highest sales of cocoa confectionery: companies like Mars, Mondelez, Nestlé, Meiji and Ferrero earn a major part of the \$80-\$100 billion annual sales volume. However, the BRIC countries are developing a sweet tooth as well: the cocoa consumption of China has nearly doubled in four years (from 40,000 tons in 2010 to 70,000 this year) and has significantly grown also in India (from 25,000 tons in 2010 to 40,000 this year).

Ironically, while 40 percent of the world's cocoa is processed in Europe, developing countries take the lead in production. Ivory Coast, the world leader in cocoa, covers about 40% of global demand alone. Other significant producers are: Ghana, Nigeria and Cameroon in Africa; Indonesia, Malaysia and Papua New Guinea in Asia and Oceania; and Brazil, Ecuador and Colombia in the Americas.

Coming back to the Ivory Coast: even though the country has been the world's number one cocoa producer since 1978, paradoxically its cocoa yields are among the world's lowest (200-500kg per hectare per season, compared for instance to 1-2 tons/hectare in Indonesia). Moreover, cocoa production is affected by global warming, meaning less rain and smaller yields; trees are ageing and soil is eroding; fertile land is rapidly

shrinking due to increasing drought and deforestation. The situation definitely calls for more sustainability.

But sustainability is not only about the environment. It's about the people as well. Walking around the plantations, every now and then you notice children with machetes under their belts; others might carry heavy items on their heads. Child labor is a socio-economic problem that is present throughout the developing world (and in "lighter" forms also in developed countries). A completely child-labor-free world is probably an illusion: families in developing countries function as production units where – out of pure necessity – everyone is a breadwinner, including children. The fight against child labor is ongoing and consists mainly of monitoring and awareness-raising measures. Development organizations focus first and foremost on the elimination of the "worst forms of child labor" (WFCL) as defined by the International Labour Organization. They are the following:

a) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals

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Cocoa farmer Marcelin on his plantation



- of children; work which exposes children to physical, psychological or sexual abuse;
- b) work underground, under water, at dangerous heights or in confined spaces;
 - c) work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads;
 - d) work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to

- temperatures, noise levels, or vibrations damaging to their health;
- e) work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer.

What can we do as consumers? There are several options. If there is a Fair Trade, UTZ, Rainforest Alliance or similar label on the chocolate bar, we can be sure that most of

the ingredients have been sourced in a humane and environmentally friendly manner. If we are looking for even more transparency, we should only buy from small, "bean-to-bar" companies, where the origin and the supply chain are completely traceable. If still in doubt, we can consult ethical consumer websites where "good" brands are listed. The key is to be informed: we should always do our own research as well. If we find a lot of Google entries where our favorite chocolate

comes up in the context of "child labor", "deforestation" or "unsustainable agricultural practices", then we will know that it's certainly not the right treat for Christmas.

Sources: Bloomberg, World Cocoa Foundation, Fair Labor Association, Barry Callebaut, Mars, International Labour Organization



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