

Cocoa

In 2016 our 15 programmes reached 20,800 new farmers, including 4,000 new women farmers. In addition to our focus on increasing yields and opening up alternative income sources for cocoa farmers, we are working with the Fair Labor Association and our peers to help eradicate child labour.



Charter Principles 2016 key facts

| | |
|--|---|
| 1. Finance | <ul style="list-style-type: none"> • US\$110 million in short-term financing • US\$1.2 million in medium and long-term financing |
| 2. Improved yield | <ul style="list-style-type: none"> • 111,800 farmers trained in Good Agricultural Practices • 2,223 farmer field schools and 498 demonstration plots • 3.96 million seedlings and 251,857 litres of insecticide distributed |
| 3. Labour practices | <ul style="list-style-type: none"> • 98,851 farmers trained in good labour practices • 92,554 farmers sensitised on the importance of school and education • 14,303 farmers received Personal Protective Equipment • 248 women farmer group leaders (out of 2,904 overall) |
| 4. Market access | <ul style="list-style-type: none"> • 168,956 tonnes procured from 331,052 hectares |
| 5. Quality | <ul style="list-style-type: none"> • US\$29.2 million paid to farmers in certification and quality premiums |
| 6. Traceability | <ul style="list-style-type: none"> • 100% tonnage is traceable • 179,991 hectares GPS mapped • 88% is certified |
| 7. Social and infrastructure investment | <ul style="list-style-type: none"> • US\$311,022 invested in infrastructure support, including trucks, motorbikes and farming assets such as solar dryers, nurseries, pruners and ladders. • Over 600 cocoa farmers and secondary school students in Nigeria benefited from diabetes, sanitation, malaria, HIV/AIDS and nutrition health booths. • 8,000 people in Indonesia benefited from literacy or vocational courses |
| 8. Environmental impact | <ul style="list-style-type: none"> • 83,234 farmers trained in water conservation • 99,972 farmers managing 218,079 hectares trained in biodiversity • 69,253 farmers trained specifically in 'no burning' of forests (covering almost 103,000 hectares). |

Targeting women and Climate-Smart cocoa production together

Olam is a partner in The Millennium Challenge Account MCA-I Compact's Green Prosperity project which strives to reduce poverty and bolster climate change adaptation efforts amongst 8,000 smallholder cocoa farmers in the North Kolaka and North Luwu districts in Southeast and Southern Sulawesi, Indonesia.

Over 7,000 farmers have been enrolled and registered in the Olam Farmer Information System (OFIS). A social and gender integration plan increases women's access to training - at the end of 2016, 1,395 women were involved.

About 71% (3,493.5 hectares) of the total 4,911 farms benefited from the application of sustainable management practices, where the surrounding forests are protected from encroachment and degradation.

El Nino and an earthquake add to the challenges facing farmers in Ecuador



Lindt & Sprüngli and Olam started a "Lindt & Sprüngli Farming Program" in Ecuador in 2014 to improve the livelihoods of farmers growing fine flavour cocoa, and establish traceability. Today the programme embraces 2,300 farmers and aims to reach 5,500 farmers by 2019. The farmers benefit from training sessions in farmer field schools, improved fine flavour cocoa seedlings, solar dryers or in-kind farmer premiums.

"The best thing about this programme is the trainings. I like attending sessions in groups where I get to learn, interact with others and then implement the learnings on my farm. I have already made a lot of changes in my farm, have started pruning and planted new seedlings as well."

Maria Esperanza Basurto Lucas, living in San Isidro, Manabi

In 2016, heavy rains brought by El Nino drastically reduced the production of monillo flat beans. This was coupled with an earthquake in April that affected 496 farmers participating in the programme. A relief fund was established, providing kits for farmers to help repair houses, as well as medical supplies.

"One of the big challenges when setting up a programme is gaining the trust of the farmers. They have been farming for decades and then we arrive and want them to form farmer groups and take up new practices. Social engagement is therefore crucial."

Saurabh Mitra, Branch Manager, Olam Cocoa, Ecuador

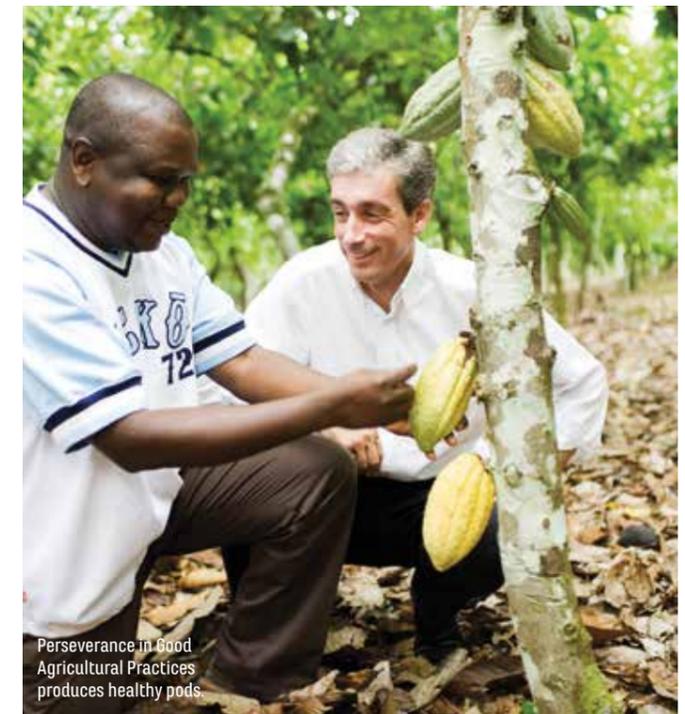
Tackling Deforestation

"Deforestation in cocoa is an ongoing issue as farmers seek land to increase yields. Our Climate-Smart Cocoa programmes with Rainforest Alliance are showing significant results, but incentives to farmers to take up the new practices are proving critical."

"We're also encouraging farmers to plant more forest and shade trees to help create cooler microclimates in the face of rising temperatures, although farmers still see them as competing with the cocoa. In Côte d'Ivoire we had been advocating 50 shade trees per hectare (ha) and then scaled up to 100 per ha. In partnership with local timber companies, and in line with the new Rainforest Alliance standards, we are now increasing our advice to plant 100 forestry and 300 shade trees per ha, paid for by the timber companies. In 2016, cooperative farmers planted 193,000 leguminous shade trees covering 1.9 million hybrid cocoa seedlings."

"In addition to our own activities, we are working with others to tackle deforestation. Along with 11 other leading cocoa and chocolate companies we have also agreed to work together, in partnership with others, to end deforestation and forest degradation in the cocoa supply chain, with an initial focus on Côte d'Ivoire and Ghana."

Andrew Brooks, Head of Olam Cocoa Sustainability, Africa



Perseverance in Good Agricultural Practices produces healthy pods

Thank you to our partners and supporters

Customers: Blommer Chocolate Company, Costco, Ferrero, General Mills, Lindt & Sprüngli, Mars Inc, Mondelez International, Nestlé, The Hershey Company.

Partners and certifiers: Advans, AfriCert Ghana Limited, Bayer, Bureau Veritas, Caritas, Cocoa Research Institute Nigeria (CRIN), Le Conseil du Café-Cacao, Comité National de Surveillance des Pires Formes des Travail des Enfants, Ecole Supérieure d'Agronomie de Côte d'Ivoire, Fairtrade, IDH-The Sustainable Trade Initiative, Initiative Restore pour le Cacao, International Cocoa Initiative, Kit Royal Tropical Institute, Organic, Rainforest Alliance, Save The Children, Scope Insight, Syngenta, UTZ, World Cocoa Foundation.