



# 2021 Cocoa & Forests Initiative

Progress Report

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## The Cocoa & Forests Initiative

### Collective action to end cocoa-related deforestation

The governments of Côte d'Ivoire and Ghana and 35 leading cocoa and chocolate companies, representing 85% of global cocoa usage, joined together in the Cocoa & Forests Initiative to end deforestation and restore forest areas.

Their combined actions play a crucial role in sequestering carbon stocks in West African forests and addressing climate change, in line with the Paris Climate Agreement. The Cocoa & Forests Initiative delivers on Sustainable Development Goal 13 (Climate Action) and 15 (Life on Land).

The Cocoa & Forests Initiative is a public private partnership based on frameworks for action (Côte d'Ivoire and Ghana) and action plans for the private sector (Côte d'Ivoire and Ghana) and public sector (Côte d'Ivoire and Ghana) that spell out commitments to:

- protect and restore forests,
- promote sustainable cocoa production and farmers' livelihoods,
- engage communities and boost social inclusion.

To learn more, follow [#CocoaAndForests](#) on social media, or visit [CocoaAndForests.org](#) and [WorldCocoa.org](#).

The World Cocoa Foundation (WCF); IDH, the Sustainable Trade Initiative; and the Governments of Côte d'Ivoire and Ghana drive the Cocoa & Forests Initiative. The Prince of Wales launched the Initiative in March 2017 and reviewed implementation progress in November 2018.

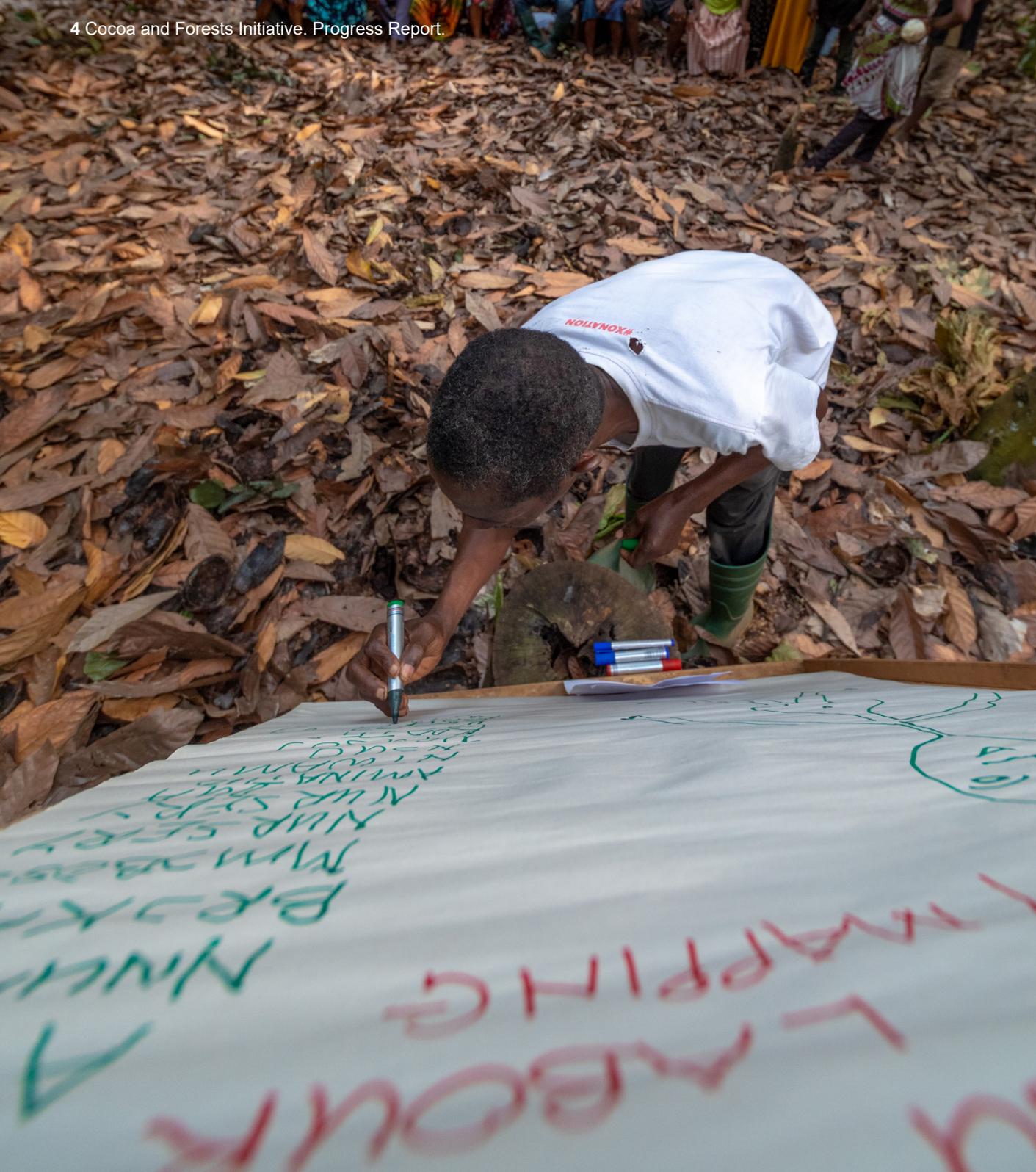
Deforestation of tropical rainforests is a major issue in Côte d'Ivoire and Ghana, which together produce nearly two-thirds of the world's supply of cocoa, the main ingredient in chocolate. Côte d'Ivoire and

Ghana respectively lost 26% and 9.3% of their humid primary forest between 2002 and 2020, with a significant portion of deforestation attributable to cocoa farming expansion.

Cocoa provides crucial income to communities in rural West Africa, but farmers are too often faced with poverty. Poverty is one of the causes of deforestation. Accelerating a transition to sustainable livelihoods is essential for farmers' economic security and a healthy planet.



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## Cargill's commitment to a deforestation-free cocoa supply chain

Cargill is committed to transforming our supply chains globally to be deforestation-free by 2030. This includes taking action now to find solutions for cocoa and determine the most efficient and most effective way possible to achieve this. Cargill's Protect Our Planet Strategic Action Plan is helping us take concrete and time-bound actions and it lays out our overarching approach to achieving this target. It is founded on our belief that farming and forests can and must coexist. Finding solutions for this equation is what we and our partners are striving to achieve.

We are addressing the connected issues affecting natural landscapes, agriculture and farmer resilience in the five countries where we directly source cocoa, as well as in our indirect supply chain.

Côte d'Ivoire and Ghana are among the highest priority regions for cocoa sustainability because these countries are home to vital landscapes that must be protected. Meanwhile, the region has grown rapidly in the last few decades to become a major source of the world's cocoa, and this growth has underpinned Cargill's commitment to a deforestation-free cocoa supply chain.

In Côte d'Ivoire and Ghana, Cargill, in collaboration with our partners, is making strong progress towards delivering our Cocoa & Forests Initiative commitments and targets. Our initial Cocoa & Forests Initiative action plan was introduced in 2018—one year after we made our Protect Our Planet commitment, and four years after Cargill pledged its commitment to the New York Declaration on Forests—and outlines how Cargill contributes to ending deforestation in our supply chain and contributes to the restoration of cocoa growing landscapes.

Balancing the wellbeing of farmers with the conservation and restoration of forests is one of the most pressing challenges in the cocoa sector. Cargill's third annual CFI progress report shows how the company is advancing its multi-year action plan. Using innovative technology, we are mapping farms, tracing cocoa, assessing deforestation risk, engaging suppliers and prioritizing actions on the ground.

Highlights from this year's report include:

### 1. Forest conservation as the starting point

Agroforestry is not an alternative to the conservation of natural forests. The best forest-related strategy is to stop cutting trees down unsustainably. Therefore, our priority is to ensure no forests are converted or degraded to produce cocoa. We are working to geolocate the farms in our supply chain and use **GPS polygon mapping** to determine their boundaries. We overlay these maps with geospatial data from satellites, including from the World Resources Institute's public platform Global Forest Watch

Pro and deforestation alerting tools developed by our partner Descartes Labs. This way, we can assess changes in land use and forest cover when they happen and respond with appropriate interventions. We mapped 74% and 75% of the farmers from which we directly source our sustainable cocoa via the Cargill Cocoa Promise across Côte d'Ivoire and Ghana respectively. While we have not mapped all farms yet, we already use sourcing jurisdictions or geolocated purchase points to identify deforestation-related risks across all our sourcing.

# Expanding mapping and restoration initiatives across cocoa landscapes



Using **GPS polygon mapping**, we have mapped 74% of farmers in Côte d'Ivoire and 75% of farmers in Ghana that supply our sustainable beans through the Cargill Cocoa Promise Supply Chain Partner Network.



New field verification visits help to put forest monitoring alerts into perspective of local contexts and deforestation drivers.



We scaled the implementation of digital traceability solutions to trace cocoa from the farm level to the first purchase point.

# We collaborated with several partners on integrated landscape management solutions, supply chain data sharing and deforestation risk assessments.

## 2. Prioritized actions on farm and forest frontiers

Our supply chain transparency effort and mapping approach enables us to take supply chain-level and collective action, with forest-related data in hand, to prevent future conversion of primary and intact forests. All farmers in our direct supply chain are trained on environmentally sound farming. In high-priority areas, near natural forests, or in areas where forest changes have been projected, we work with partners on a multitude of agroforestry or reforestation initiatives at the landscape and community levels. We also engage in collaborative and pre-competitive initiatives at the landscape level, such as the Asunafo-Asutifi Landscape in Ghana and Grand Mbam.

For example, Cargill, together with the World Cocoa Foundation, Climate Focus and in partnership with the World Resources Institute, is working with companies to develop a comprehensive dataset of cocoa plot locations in the direct supply chain and an aligned method for assessing deforestation risk.



### 3. Making agroforestry viable and scalable

Agroforestry not only enhances tree cover and carbon sequestration but also offers additional economic benefits for farmers, as different produce can be sold. The viability of these practices is landscape-specific: landscapes in West Africa differ from those in Brazil. A viable business case for agroforestry depends on tenure, public policies and markets for agroforestry products. We therefore joined forces with the 1 for 20 Partnership and PUR Projet to analyze how agroforestry can strengthen household incomes in Côte d'Ivoire.

The resulting research provides insights into successfully upscaling locally appropriate agroforestry models – for us and the industry at large – building on our Farm Economic Model. By combining data on household size, annual yields, price and input costs, income levels were projected for different agroforestry scenarios. The results have been promising, showing that adopting cocoa agroforestry in Côte d'Ivoire has the potential to increase farmers' household revenues from 9% to 50% on average over 30 years.

We expanded our holistic agroforestry programs with PUR Projet, IMPACTUM, FOA S.A.R.L. and Agromap to supported on-farm restoration and forest protection in the buffer zones of important conservation areas by raising awareness, promoting agricultural best practices and engaging communities.



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# 14K+

In 2020-2021, Cargill, and with our customers support, reached over 14,700 new farmers across Ghana and Côte d'Ivoire to promote the transition to cocoa agroforestry practices.

# 30K

Since the launch of our CFI action plan in 2018, we have supported more than 30,000 farmers in adopting cocoa agroforestry practices.

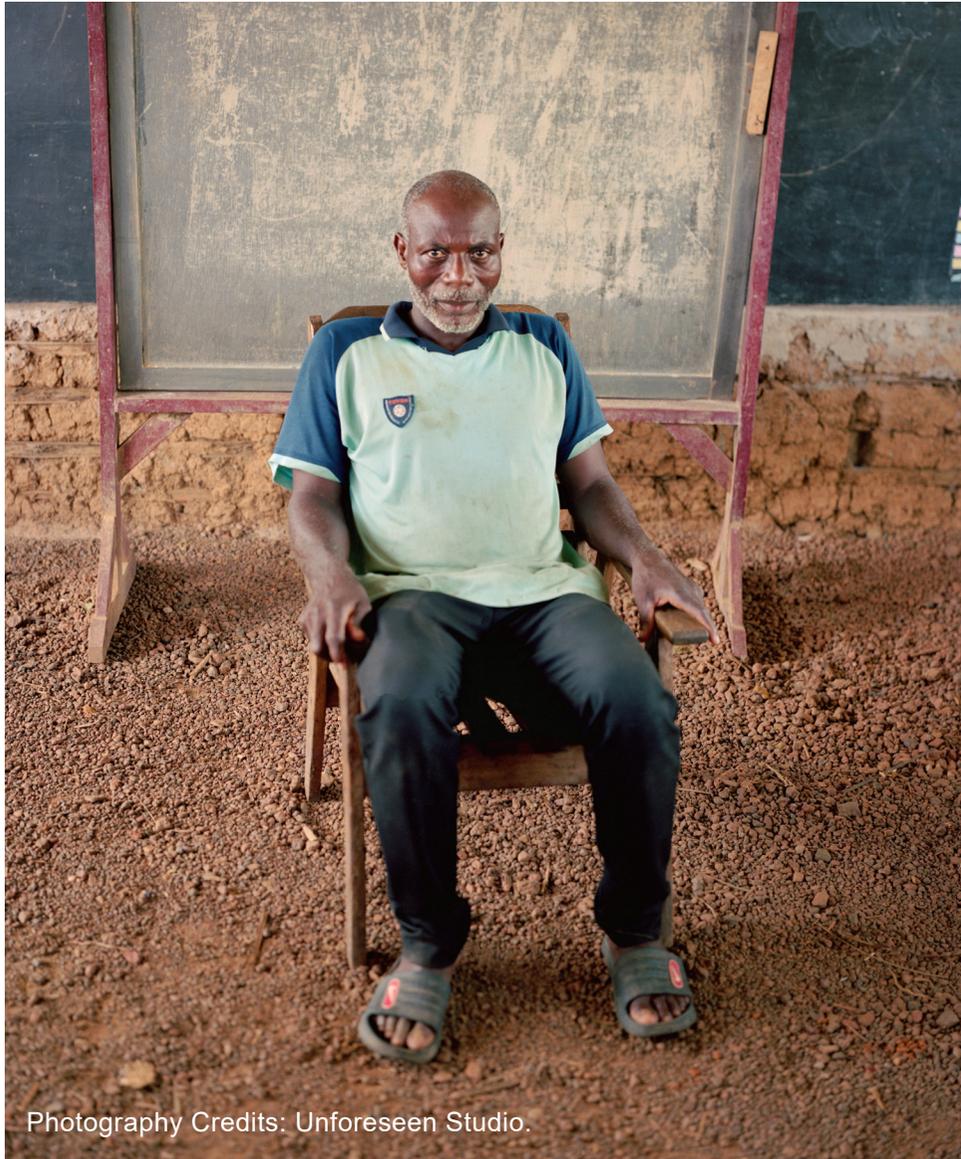
# 1M+

In 2020-2021, we distributed 1,156,000 multi-purpose trees for on-farm planting.

# 2M

Since the launch of our CFI action plan in 2018, we have distributed close to 2 million multi-purpose trees for on-farm planting through our own direct investments and on behalf of customers.

# Agroforestry keeps forests and cocoa-growing communities strong together



Increasing pressure from a wide range of sources, including logging and other crop production, threatens the ecological integrity of forests. Organizations and communities are looking to change that equation by adopting agroforestry practices to help reforest areas while also further supplement cocoa farmers' incomes.

Ouatara Shaka is a cocoa grower who's lived in the Bossoha region of Côte d'Ivoire for almost 35 years. He and other growers like him originally moved to the region because they wanted to create a better future for themselves and their families. But while farming cocoa and coffee has helped them earn a living for their families, cocoa farmers such as Shaka are often exposed to a variety of external variables that make it hard to secure stable livelihoods and may push them to expand further into forest areas, converting new lands in order to meet the increased demand for cocoa and meet their livelihood needs, trapping them in a vicious cycle that creates long-term problems for forests and farmers alike.

"When I see someone destroying a forest, killing trees, it breaks my heart," Shaka says. "Because when a whole piece of land is destroyed, if that parcel doesn't get reforested, it becomes useless. Only trees enrich the soil."

"Even if we will never see our primary forests again, we must plant new trees to restore harmony," Shaka said. "If we plant trees, the shade will return, and if it rains, the soil will stay humid and fertile."

Cargill and PUR Projet have been collaborating for the past three years to help advance agroforestry in communities such as Bossoha in Côte d'Ivoire. The project has been supported by several Cargill partners. Shaka went on to add: "I am replanting trees for my children, to keep living from cocoa and provide a livelihood for my family. Trees are our common heritage, that's why we must take care of them."

Through agroforestry, and with the help of PUR Projet, Cargill, and our additional partners, the Bossoha community and others in West Africa can make this vision a reality. Cargill and PUR Projet are extending their agroforestry program for three more years. Cargill helps fund the cost of seedlings, expertise on the ground, and direct engagement with cocoa-growing households.

To get a vivid picture of the impact of this work, watch the full video with Shaka here:

<https://www.cargill.com/story/agroforestry-keeps-forest-and-cocoa-growing-communities-strong>

### **Transformation, Together**

Enhancing existing processes for engagement between producing and consuming countries to develop sustainable commodity supply chains and landscapes, while ensuring economic prosperity and fair and equitable rewards for all is key. For that, continuous dialogue with a reset and shared narrative at government to government level, both in bilateral and multilateral groups needs to be further encouraged. This includes the development of shared roadmaps for key agricultural and forest commodities in priority landscapes at multi-stakeholder level. Cargill welcomes the European Commission's efforts on combating deforestation and will continue to participate constructively in this discussion.

The Cocoa & Forests Initiative remains one of the most encouraging examples of public-private partnership and positive interaction between governments, companies and civil society defining core commitments, verifiable actions, and timebound targets required for a deforestation-free supply chain that is forest and people positive. Cargill continues to be committed to collaborating with its partners to help deliver the implementation of the Cocoa & Forests Initiative Framework for Action and support a 'smart mix' of measures; including new and continued partnerships on the ground; action within the European Union to create a clear market demand for sustainable products; action by other consumer countries; and action by financial institutions and their regulators.



Indicator	2022 Target	# Through direct investment (Current reporting year)	# On behalf of clients (Current reporting year)	# Through direct investment (Since 2018)
<b>FOREST PROTECTION AND RESTORATION</b>				
# of cocoa plots mapped in direct supply chain		30 363	46 616	
# of farms mapped in direct supply chain	25 000	12 054	20 003	
# of hectares in the direct supply chain with deforestation risk assessments completed		30 559	40 591	30 559
% of directly sourced cocoa traceable from the farm to the first purchase point	100%	73%		
# hectares restored in Forest Reserve / Forêts Classée		0	0	0
# trees registered	100 000	0	0	0
# of farmers with land tenure agreements/documentation obtained via company support		0	0	0
# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration		11 807	17 747	
# individuals receiving PES: New	0	0	0	0
# individuals receiving PES: Total Active		0	0	
# farmers applying agroforestry		1 580	3 492	8 593
# multi-purpose trees distributed for on-farm planting	0	48 280	92 222	168 181
# hectares cocoa agroforestry in development	15 000	2 593	3 894	8 187
# of trees distributed for off-farm planting		0	0	0
# hectares of forest area restored off-reserve / in rural zone		0	0	0
# farmers trained in CSC best practices	10 000	2 292	3 917	
# of farmers trained in Modified Taungya System (MTS)		0	0	
\$ contributed to fund				
<b>SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD</b>				
# improved cocoa seedlings distributed to farmers	4 000 000	46 326	133 802	312 946
# of farmers reached by GAP training programs	25 000	11 807	17 747	
# individuals participating in additional Income Generating Activities (IGA's)		1 838	0	
# of individuals in the current reporting year enrolled in a formal financial products and services with support from companies	5 000	42 825	0	
# of members of VSLA groups in the current year	12 500	3 092	2 709	
# of VSLA groups in the current year		181	171	294
<b>SOCIAL INCLUSION AND COMMUNITY</b>				
# of cocoa communities with active forest restoration and protection program (CBNRM)		8	6	2
# hectares under CBNRM		0	0	0
# of individuals participating in women's empowerment projects and activities		2 292	5 148	
# of individuals participating in youth focused projects and activities (15-35 years old)		0	0	

Indicator	2022 Target	# Through direct investment (Current reporting year)	# On behalf of clients (Current reporting year)	# Through direct investment (Since 2018)
<b>FOREST PROTECTION AND RESTORATION</b>				
# of cocoa plots mapped in direct supply chain		28 056	83 004	
# of farms mapped in direct supply chain	57 534	24 911	76 810	
# of hectares in the direct supply chain with deforestation risk assessments completed	187 749	86 057	228 208	86 057
% of directly sourced cocoa traceable from the farm to the first purchase point	100%	75%		
# hectares restored in Forest Reserve / Forêts Classée	18 775	0	0	0
# trees registered		0	0	0
# of farmers with land tenure agreements/documentation obtained via company support		0	0	0
# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration	57 534	35 838	102 547	
# individuals receiving PES: New	0	1 408	4 049	2 793
# individuals receiving PES: Total Active	575	1 408	4 049	
# farmers applying agroforestry		3 725	5 980	2 219
# multi-purpose trees distributed for on-farm planting	967 820	363 528	652 453	539 508
# hectares cocoa agroforestry in development	24 195	9 967	15 271	11 910
# of trees distributed for off-farm planting		0	0	0
# hectares of forest area restored off-reserve / in rural zone		0	0	0
# farmers trained in CSC best practices		2 079	41 563	
# of farmers trained in Modified Taungya System (MTS)				
\$ contributed to fund		0	0	0
<b>SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOOD</b>				
# improved cocoa seedlings distributed to farmers	1 486 826			
# of farmers reached by GAP training programs	57 534	35 838	102 547	
# individuals participating in additional Income Generating Activities (IGA's)		897	4 005	
# of individuals in the current reporting year enrolled in a formal financial products and services with support from companies	9 210	4 141	13 181	
# of members of VSLA groups in the current year	5 753	1 295	5 734	
# of VSLA groups in the current year		64	248	98
<b>SOCIAL INCLUSION AND COMMUNITY</b>				
# of cocoa communities with active forest restoration and protection program (CBNRM)		22	58	55
# hectares under CBNRM	0	0	0	0
# of individuals participating in women's empowerment projects and activities		2 079	41 563	
# of individuals participating in youth focused projects and activities (15-35 years old)		0	474	

