



AMAZON ORIGIN

Sustainable
Cocoa

May, 2022

TROPICAL FOREST ALLIANCE

The Tropical Forest Alliance is a multistakeholder partnership platform initiated to support the implementation of private-sector commitments to remove deforestation from cacao, palm oil, beef, soy and pulp/paper and other supply chains. Hosted by the World Economic Forum, our 170+ alliance partners include companies, government entities, civil society, indigenous peoples, local communities and international organizations, working together through Forest-Positive Collective Action to advance the world's transition to deforestation-free commodity supply chains.

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This Amazon Origin Cocoa Pitch considers findings from studies and analysis developed with local partners and consultancies.

The objective of this document is to describe the Amazon Origin Cocoa Initiative, considering a bottom up approach that connects local partners, and to position the cocoa value chain as a feasible, promising Nature Based Solution for the Amazon region.

The document also brings elements to buyers and investors that recognize the region’s potential in delivering a forest-positive sourcing and scalable opportunities to low carbon investments.

We know Cocoa has a great potential for all countries – but we also recognize the local strategies and incentives to the supply chain and markets consider different paths. Amazon Origin Cocoa Initiative catalyzes the Latin America shared agenda, adding value to the National Strategies and Plans.

ACKNOWLEDGEMENTS:



Financed and supported by



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AMAZON ORIGIN SUSTAINABLE COCOA Initiative

Amazon Cocoa has a history and meaning to the region, as a Native specie **has been managed by local people and making part of the countries' development.**

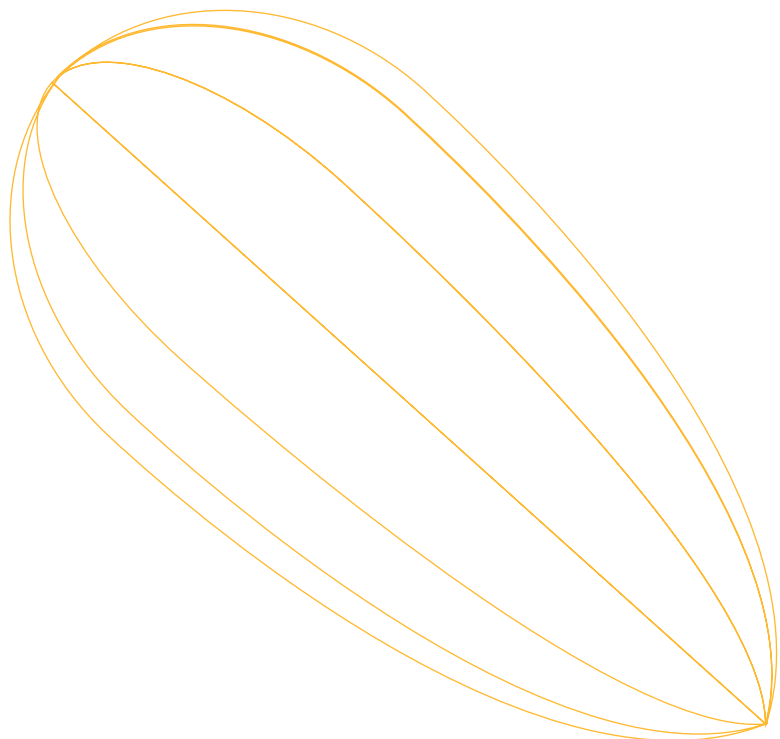
Economic transition to an inclusive and sustainable bioeconomy – a current global challenge that's been discussed. Cocoa can be part of the challenge and restore ecosystems, biodiversity, soils and water sources, besides allowing carbon capture and improving the livelihood and quality of life of local producing communities.

At this sense, the potential to contribute to a sustainable rural development in the Amazon region is enormous. Peru, Colombia, and Brazil established national platforms to promote sustainable cocoa and forest conservation and are deeply connected with the Tropical Forest Alliance (TFA)'s objectives of reducing deforestation at regional and national levels.



What's the purpose of a Regional Platform?

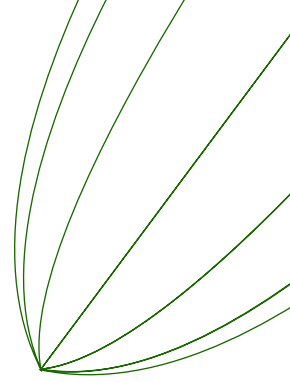
To strengthen the Amazon Origin Cocoa by exchanging lessons learned and positioning the common agendas through **initiatives, entities, organizations, companies, producers, co-ops, and local governments and the civil society, while supporting and implementing specific actions on its key countries.**



Why is Amazon Origin Cocoa staging a regional alternative/solution?

Latin America understand cocoa's true potential to transform and protect the Amazon and inspire inovative models of sustainable development, and using an unexplored economic potential to the market's trends and needs on high quality products.

For this, is important to understand **the common case, opportunities and challenges ahead**. We dive deep into a region that's always been in the eyes of the world, identifying and acting on its most urgent needs – **such as the technical and management support to assure consistent sustainable practices, the development of a supply chain traceability that adds value and increases profitability, and the access to a global market.**



Who are the relevant parties in the initiative?

In alignment with national partners, this Pitch aims to connect all initiatives that promote cocoa as an instrument of positive change. The initiative welcomes stakeholders to promote cooperation throughout the supply chain, contributing to closer and more stable long-term trade relations to reach a sustainable cocoa consumption.



The objectives of the Amazon Origin Cocoa Initiative:

- To improve **the market share** of sustainable cocoa
- To improve **traceability and transparency** of cocoa origin
- To guarantee **positive impact** of cocoa's sustainability
- To improve **the public awareness of cocoa** as a forest-positive and native

This pitch aims to describe **deeper understanding** of the Amazon Cocoa producing region, inspired by some of the learnings we have put together and by the positive results already achieved by the Latin America Region.

HERE, YOU'LL FIND:

- The Amazon Origin Cocoa **Opportunities and Challenges**;
- **The Multi Stakeholders Alliances, Agreements and Action Plans**
- **An overview of Amazon Origin Cocoa value chain**: attributes, monitoring methodologies, market trends and bottlenecks
- The **Challenges and Enabling Conditions** to unlock Amazon Cocoa potential, from the farm to consumer.
- A narrative of **how Amazon Origin Cocoa communicates and position** the region to world.

01



Erika Nortemann/TNC

WHY DO WE BELIEVE
COCOA CAN BE AN
INSTRUMENT OF
POSITIVE CHANGE
FOR THE AMAZON
REGION?

The Amazon is home to a remarkable share of known global biodiversity.

Amazon in a nutshell

- Holds 1/5 of World's Fresh Water
- Home of 20% species of the planet
- 20bi tons of water daily in the atmosphere

(Source IUCN)

Ecological specialization and speciation in the Amazon occurred over millions of years of evolution under the influences of Andean uplifts, global climate cycles, and regional heterogeneity in climate, soils, nutrient availability, and biotic interactions. Scientists describe new species in the Amazon at the extraordinary rate of one every day!

The ecological conditions offer an advantage in relation to other production regions, since the origin attributes can be related to aspects such as quality, genetic diversity, traditional knowledge and the social-environmental landscape in which cocoa is produced.

Ecuador, Peru, Brazil, and Colombia make up approximately 15 percent of global cocoa production (ICCO). Organoleptic differentials to this native species provides high quality standards on aroma and taste, recognizing the Amazon region as a differentiated cocoa producer.



COCOA IS PART OF THE SOLUTION TO PRESERVE AND RESTORE THE AMAZON

Using the proper production practices, cocoa adds value to forests and becomes a protective tool.

Cocoa's productivity and quality is enhanced when it coexists in a model of combining species, and also represents a profitable activity that can generate long-term incomes to smallholders. And when the forest is conserved and complementary to profitable activities, there is less incentive to deforestation!

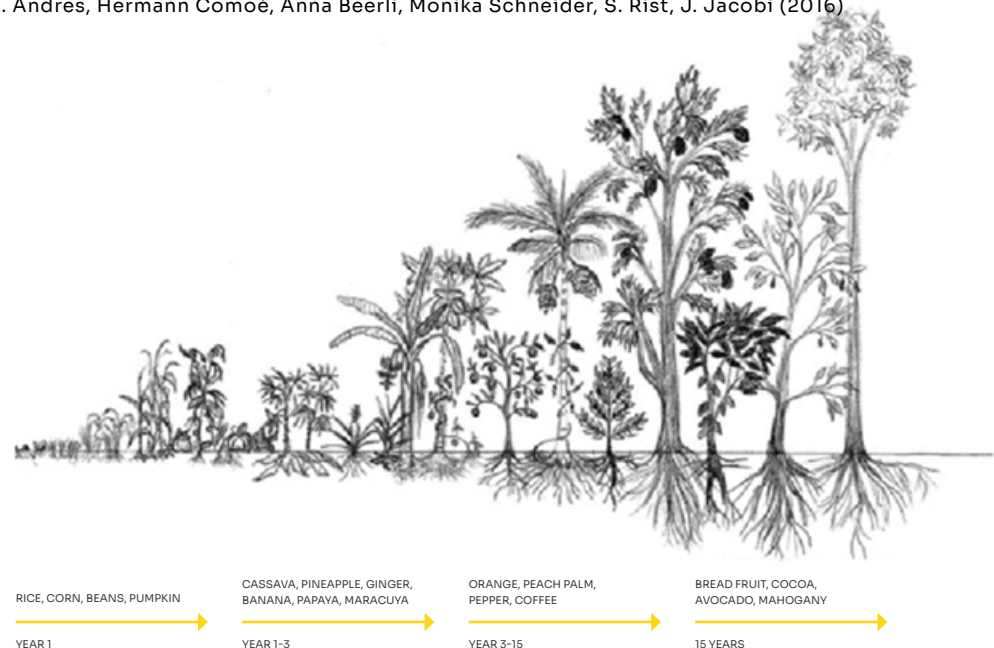
Cocoa agroforestry brings a wide range of benefits, such as biodiversity conservation of flora and fauna, carbon stocks, preserving soil moisture and fertility, and stimulating rainfall, among others. Agroforestry is also important for major cocoa producing countries, as they urgently need to re-green their nations – some of which are on a collision course to desertification due to their tree cover loss.

Brazil, Colombia and Peru are among the top 10 countries losing tropical primary rainforest (WRI, 2019), with more than 60 percent of this deforestation happening in the Amazon biome. It's crucial for the government and the private sector to accelerate agendas and actions to revert this scenario, especially regarding their agricultural production – a main driver of land use degradation.

When it comes to Amazon Cocoa, the production comes not just as a conservation model, but as a powerful forest-positive tool! Restoring land through cocoa agroforestry brings significant environmental benefits as soil fertility and biodiversity – and, most importantly: it means that farmers can reach Zero Deforestation models. Compared to cattle ranching, incomes for smallholders can be six times higher when producing cocoa this way.

“COCOA IN MONOCULTURE AND DYNAMIC AGROFORESTRY”

C. Andres, Hermann Comoé, Anna Beerli, Monika Schneider, S. Rist, J. Jacobi (2016)



Keep in mind! The distinction of different systems is relevant: they offer differing combinations of “productivity” and “sustainability” that result in positive or negative impacts. So Amazon Origin does not mean ‘sustainable’ by itself – there are many factors to consider Cocoa as a truly Sustainable product.

SMALLHOLDERS ARE THE PROTAGONISTS

Since cocoa production in Amazon Regions is highly concentrated among small producers, **there's a chance to increase the income, inclusion and economic opportunities of traditional communities.**



TNC

To make great chocolate, you need great cocoa! But life can be challenging where cocoa is grown. These challenges are more relevant than ever in the context of the economic crisis due to COVID-19, since the risk of producers switching to illegal activities or crops (for example: coca, in Alto Huallaga) increases. Promoting a sustainable cocoa production, which will consequently improve producers' livelihoods, reduces this risk and minimizes its economic impacts.

In exchange for zero deforestation and restoration commitments, farmers can receive a premium price for their cocoa. It's important, however, that they are provided with the tools and the support needed to cultivate native tree species on their cocoa farms and to maximize productivity. This will ultimately guarantee a better product!

'SUSTAINABLE COCOA': A COMPLEX DEFINITION!

Given the complexity of the business cocoa represents, defining sustainable cocoa in simplistic terms would be of a tall order. However, under the auspices of the International Standard Organisation, stakeholders from all sectors of the cocoa industry have developed the ISO 34101 on sustainable cocoa.

The standard aims to encourage the professionalization of cocoa farming, thus contributing to farmer livelihoods and better working conditions. It covers the organizational, economic, social and environmental aspects of cocoa farming as well as featuring strict requirements for traceability and offering greater clarity about the sustainability definition of the cocoa that is used.

Currently there are several efforts, led by various stakeholders in the cocoa sector, to determine what the living income for cocoa farmers should be, how to calculate it, and how to apply it within the cocoa value chain. Poverty among cocoa farmers in certain regions has led to other forms of sustainability issues, such as cases of child labor in cocoa farms, or deforestation linked to the expansion.





SORA

TNC

A COMMON GROUND TO LATIN AMERICA COUNTRIES

In this initial phase, the Regional Initiative involved Brazil, Peru and Colombia countries through dialogues. Ecuador has also been integrated into the most recent discussions - and there's a perspective to expand to other relevant Amazon countries. This connection and engagement of multi stakeholders platforms is the starting point to a Regional platform on Amazon Origin Cocoa

- **A shared vision:** Amazon Original Sustainable Cocoa as a solution for tackling deforestation and promoting restoration through strengthening a supply chain that is socially inclusive and built on the bio economy.
- **A common ambition:** to accelerate positive public and private collective action, strengthening a supply chain that is deforestation free, socially inclusive and built on the bio economy.

WHY AMAZON ORIGINAL SUSTAINABLE COCOA IS THE WAY TO GO:

- **It's native to the Amazon!** Cocoa is genetically diverse and has been farmed in the region for thousands of years.
- **Cocoa production is crucial to smallholder livelihoods!** 95% of the volume produced in the region comes from 5.5 million smallholder farmers, including indigenous groups.
- **Forest-Positive Production:** Cocoa production is not a deforestation-driver, but also restores ecosystems, biodiversity, soils and water sources, and allows carbon capture.
- **Value add:** Fine aroma and flavor of sustainable origin cocoa can earn a higher price on global markets, returning this value to the producer. Other environmental and social attributes are also valued in the specialty market.
- **A global scale.** Brazil, Colombia & Peru produce around 400,000t of cocoa per year – that's about 8% of the global output. In Brazil and Colombia, up to 90% of the production goes towards domestic consumption.

AND THERE ARE STILL PLENTY OF OPPORTUNITIES UP AHEAD!

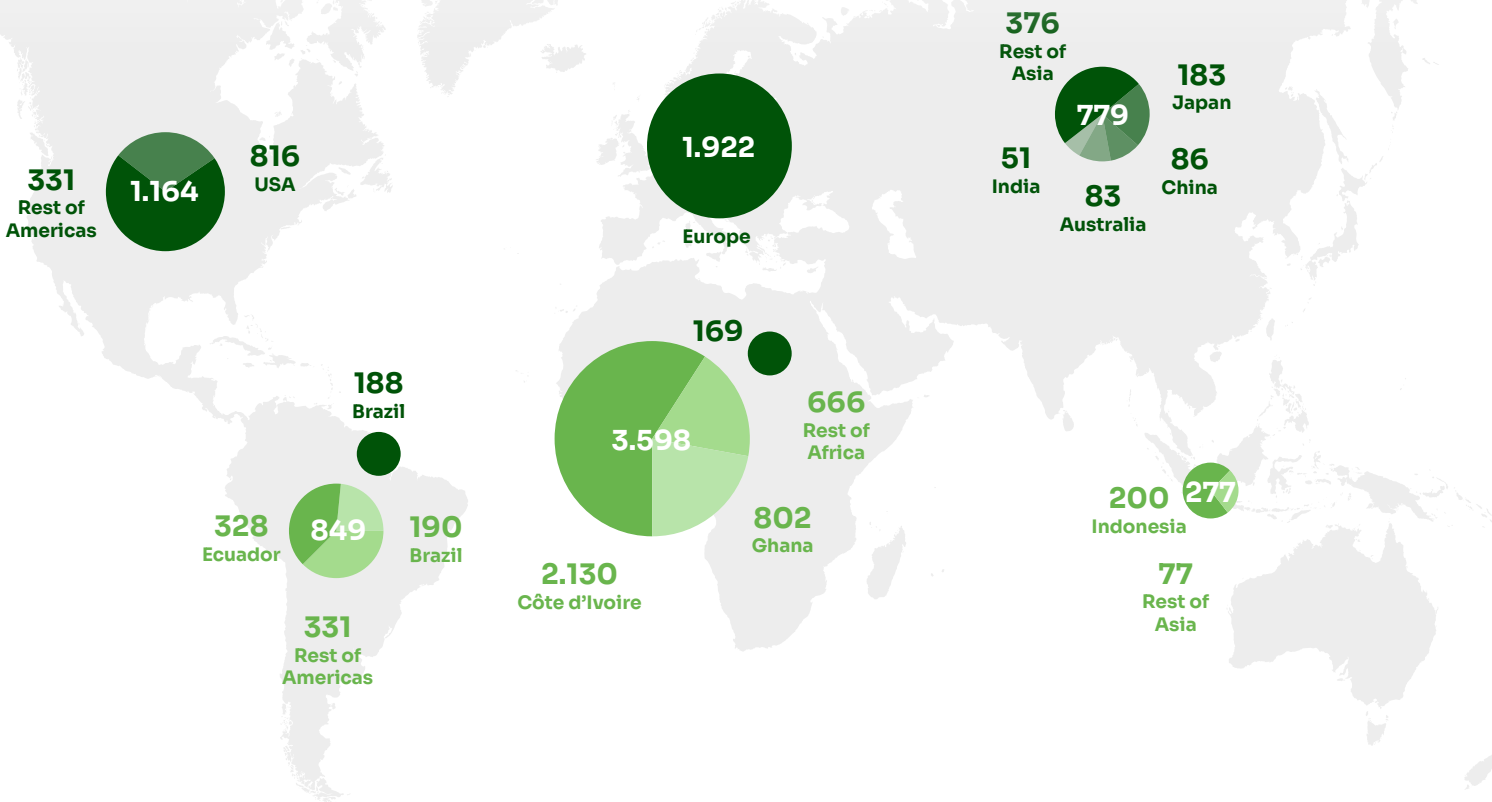
- **Consumer awareness is growing.** Their focus of sustainable cocoa production has increased in the last decade, mostly fueled by media campaigns exposing cocoa's negative impacts on human rights.
- **Origin and quality are on the rise!** The importance of these attributes continues to grow in cocoa markets, where overall demand is also growing, as shown by Europe market regulations and certification schemes.
- **It's a great story!** Storytelling was listed as a top trend in the food Market, and what better story could there be than the unique attributes of Amazon Origin Sustainable Cocoa?
- **"Business as usual is no longer an option".** According to the Berlin Cocoa Declaration (2018), living Income, supply chain traceability, environmental protection and a farmer-first approach are all necessary and expected.

PRODUCTION X CONSUMPTION

Cocoa production in 1.000 tonnes 2019/20 (forecast)

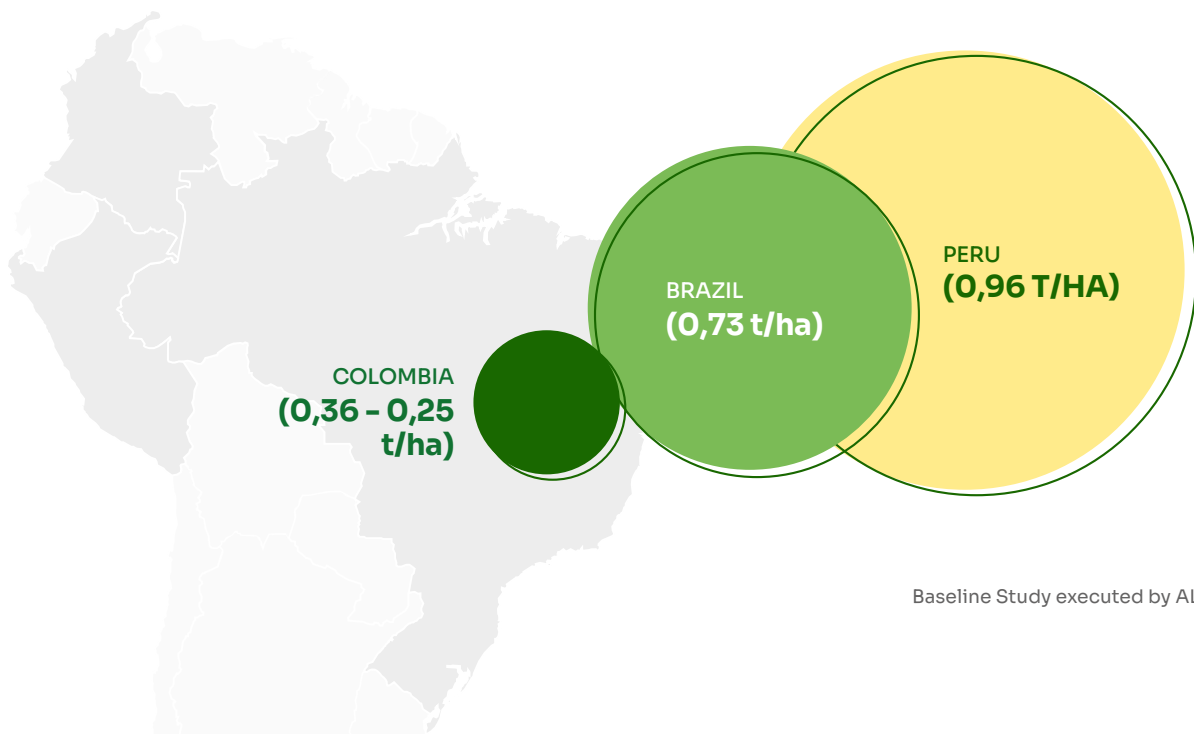
Domestic consumption of cocoa in 1.000 tonnes 2018/19

Source: ICCO 2020, Table 2, 40



Cocoa production

From the Amazonian regional perspective of Brazil, Colombia and Peru, the average productivity reaches 0.68 tons of dry grain/ha. Among the three countries, Peru is the one with the highest production of Amazon cocoa: 138,810 tons, which represents 98.35% of national production.



Baseline Study executed by ALISOS with TFA.

02



Erika Nortemann/TNC

WHAT HAS BEEN DONE SO FAR?

Attributes to define a “sustainable” Amazon cocoa and priority actions in terms of funding, technologies, and public policies.



Nancy Yofogo Coral

Brazil	Peru	Colombia
<ul style="list-style-type: none"> • Strengthen the federal technical assistance body and amplify the broader access to it • Strengthen cooperatives and smallholders associations • Facillitate the access to credit • Adequate properties infrastructures ans logistics • Build on market analysis and potentialities 	<ul style="list-style-type: none"> • Strengthen the differentiation of Peruvian cocoa based on: quality, diversity of origin attributes and d-free. • Support producers by promoting a platform to allow access to financial and others benefits • Design, improve and mobilize resources to public-private partnerships to work in jurisdictional levels • Traceability and Monitoring • Strengthen governance • Market position strategy 	<ul style="list-style-type: none"> • Engage Finance Sector, specially connected with the low Carbon agenda • Work to build on the transparency for traceability and monitoring suply chains • Develop the sustainable attributes of Latam Cocoa as a differential product • Create a platform to connect producers and global markets.
<p>Technical Assistance / AOSC Attributes / From Producers to Gobal Markets</p>		

The next step: to connect these initiatives on a regional platform with the potential to transform the cocoa market in the Amazon, while addressing each country’s needs.

National Alliances and Agreements on Cocoa Supply Chain

There's a series of projects already in place in Brazil, Colombia and Peru to address each country's context and history, as well as their unique opportunities and challenges, in the search for solutions towards a sustainable cocoa production.

BRAZIL

What mechanism exists to define 'sustainable' Amazon cocoa?

- The Cocoa Action Curriculum offers minimum criteria to a sustainable cocoa. It is a voluntary adhesion.
- Certification from: Rainforest Alliance/UTZ; Organico and Fairtrade
- Private programs: Barry, Cargill, Olam, Nestlé, Mondelez
- Technical assistance programs

What are the three priority action for:

Funding

- Technical assistance
- Access to credit
- Governance from producers

Public Policies

- Work conditions in cocoa value chain
- Strengthening the agenda to fight deforestation
- Strengthening the technology transfer, rural extension and technical assistance.

How will we bring to the next dialogue our priorities for the Roadmap?

- Cocoa 2030 project
- Cocoa Sectorial Chamber at the Ministry of Agriculture and Ranching (MAPA)
- Mapping and georeferencing methodologies for cocoa



PARÁ

Who's leading the way: CocoaAction Brazil

A pioneering model for cocoa sustainability, developed by leading members of Brazil's chocolate and cocoa sector.

The project was launched in October 2018 so private sector companies can work together across the supply chain, articulating with government and third-party partners with a unified voice, and collectively learning through a consolidated monitoring and evaluation system.

The first set of activities have an estimated five-year span and were implemented by engaging members and partners throughout the supply chain, with the goal of leaving a legacy of collaboration and collective action that can inspire the cocoa sector to work together for long-lasting results in sustainability.

TOP PRIORITIES

- **Farmers:** improving productivity, cocoa quality (including the prevention of pests and diseases), and farm management.
- **The community:** improving working and living conditions for cocoa growers, strengthening farmers' organizations, and addressing topics such as youth, gender and family succession.
- **The planet:** through deforestation control and promotion of reforestation, through conservation and restoration of Areas of Permanent Preservation and Legal Reserves, and through the improvement of agroforestry systems.
- **The enabling environment:** solutions towards efficiency, access to credit and land legalization, and information management for the cocoa supply chain.

CocoaAction Brasil and its partners helped building the Currículo de Sustentabilidade do Cacau (Cocoa's Sustainability Curriculum), a collaborative document released in 2021 with the goal of becoming a reference to cocoa producers, technicians, and institutions. It doesn't intend to be a certification model, but rather a content of good agricultural practices and propriety management, focused on sustainable actions.



“CocoaAction Brasil is committed to develop a true public-private partnership platform with the Brazilian government and has formed a National Committee to guide important decisions of cocoa sustainability in Brazil.”

Richard Scobey;

President, World Cocoa Foundation

Cacau 2030

An initiative supported by CocoaAction Brasil that take a closer look at the working and living conditions within the production chain.

The actions in place, developed accordingly to the Brazilian legislation and the Declaration Fundamental Principles and Rights at Work, also intent to reach goal 8,7 of the UN Sustainable Development Goals.

CACAU 2030 AIMS TO:

1. Increasing the knowledge and conscience regarding workers' rights .
2. Strengthening the public sector at a local level to better tackle issues such as child labor and forced labor, while promoting decent work conditions and keeping children in school.
3. Increasing productivity and profit for cocoa producers.
4. Monitoring work conditions in the cocoa chain following the actions' implementations.



COLOMBIA

What mechanism exists to define 'sustainable' Amazon cocoa?

- Cocoa, Forests and Peace agreement-CF&P: EFI Project to define specific guidelines to the Amazon
- National Cocoa Strategy: the sustainability chapter
- Origin identification by FEDECACAO: challenge of under-registration

What are the three priority action for:

Funding

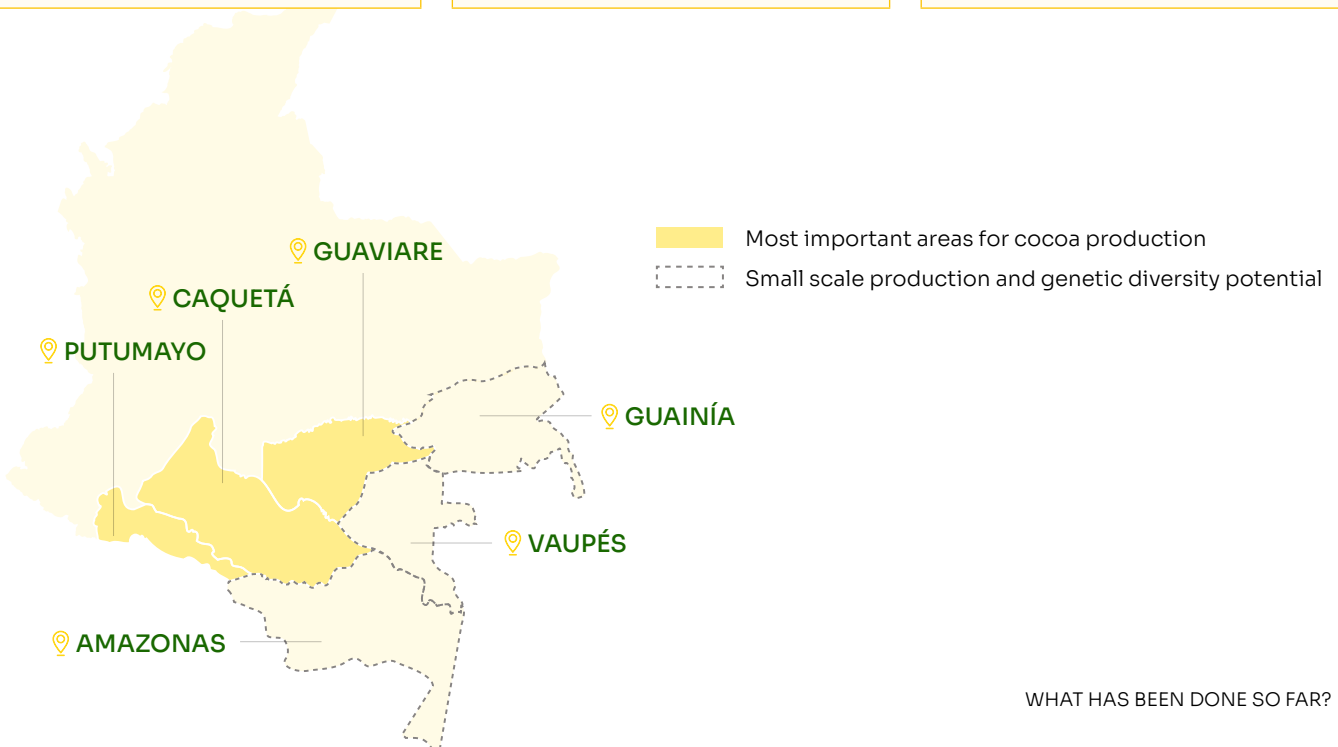
- Financing x establishment: greater compromise of the industry in SAF (CB&P) due to an opportunity of a business model.
- Financial instruments
- SAF incentives (blended finance) x Restoration along with extension
- Clear goals, with monitoring and traceability
- Strengthen the associations: local businesses, markets. Improved grain quality and grain profit centers

Public Policies

- Restrict the agriculture frontier implementing policy for rural extension
- More accurate cocoa census to channel resources from the Fondo Nacional Cacaotero to new potential cocoa regions
- National framework to nature-based solutions in cocoa (SAF)

How will we bring to the next dialogue our priorities for the Roadmap?

- With inputs from the Amazon cocoa production territories for validation with CF&P
- With the support of initiatives like Cocoa for Life



Who's leading the way: Iniciativa Cacao, Bosques & Paz

A public-private initiative that promotes deforestation-free cocoa production models.

Cocoa, Forests & Peace (CF&P) works to protect and restore forests in the cocoa value chain, improve livelihoods for producers and help consolidate the peace process in Colombia.

The Action Plan, spanning from 2020 to 2030, was created from a baseline study conducted by the initiative and is divided into five strategic outcomes:

1. zero-deforestation cocoa production models;
2. financial instruments to consolidate such models;
3. monitoring, verification and traceability systems;
4. strengthening cocoa institutions for the challenges of forests and peace;
5. communications and transparency strategy.

TOP PRIORITIES

- **Protection and forest restoration:** by contributing to the protection and restoration of Colombia's forests through cocoa cultivation.
- **Sustainable production and livelihoods of farmers:** by incorporating sustainable intensification and diversification of cocoa production to improve farmers' livelihoods and incomes, and reduce pressure on natural forests.
- **Community participation and social inclusion around cocoa:** by focusing on critical post-conflict areas in Colombia.





A roadmap for the Colombian Amazon cocoa

ALISOS, which leads the Technical Secretariat of the CB&P and is TFA's strategic ally in the Amazon Origin Cocoa initiative, has worked to consolidate a interdepartmental roadmap to describe the attributes of cocoa produced in the region. For the Colombian Amazon, four strategic lines were set:

1. productivity and quality;
2. agriculture extension, technology and investigation;
3. institutional strengthening and human talent;
4. commercialization and transformation;

The strategic lines were defined by the potential to strengthen the Amazon cocoa value chain and are supported by specific strategies and actions, that address the main needs identified in the regions of Guaviare, Caquetá and Putumayo – the top cocoa-producing departments in the Colombian Amazon.

After the peace agreement signed by the Colombian Government in 2016, cocoa became a key value chain to guarantee sustainable production options in territories that were once dominated by local conflicts. **In this quest of rural development, cocoa became a “crop of peace”!**

PERU

What mechanism exists to define 'sustainable' Amazon cocoa?

Current:

- Certifications, mainly Organic, among others

Future frame:

- Plan Nacional del Cacao y Chocolate Cacao, Bosques y Diversidad Agreement: sustainable production intensification; restoration; SAF

What are the three priority action for:

- Incentive platform (financial and non-financial). Incentives as compromises.
- Sustainable business models (agroforestry systems, diversification)
- Traceability
- Technologies for productivity improvements (precision agriculture, crop management)
- Infrastructure
- Market positioning
- Territorial planning – information and / or intelligence on the territory (titling – use of standards e.g. HCV- HCS- Agroforestry Z / CUSAF)
- Monitoring (agreements, synergies among platform and data)





Who's leading the way: Cocoa Forest and Diversity Agreement

A path to a supply chain free of deforestation.

Signed in June 2021 by leading companies and organizations from the cocoa sector, the [Cocoa, Forests and Diversity Agreement](#) was articulated by the Coalition for Sustainable Production (supported by Tropical Forest Alliance).

This initiative contributes to the establishment of policies and quantitative goals for a production and supply of cocoa free of deforestation, through the evaluation of the supply chain of the private sector. It also works to mobilize investments towards the cause, to promote mechanisms of incentives and commitments, to encourage policy instruments for a better business environment, and to generate and transmit knowledge regarding sustainable practices and technological development. Finally, it's creating pilots of monitoring and traceability systems, looking forward to their escalation.

TOP PRIORITIES

- To have a deforestation- free supply chain by 2025.
- To promote a sustainable production while restoring degraded areas.
- To provide incentives for a sustainable production and for the generation of commitments within the chain
- To position the country's differentiates cocoa in international markets
- To develop transparent monitoring and traceability systems

“The Peruvian cocoa sector generates around 300 million exports. However, we must be aware that in recent years there have been some trends at the international level regarding regulations regarding sustainable cocoa. Right now, at the European Union level, sustainable production schemes are being discussed. Peru has a lot of experience in sustainable production since organic production has been done for several years.-

Luis Mendoza

Manager of the Peruvian Association of Cocoa Producers (APPCACAO)



03



Isabel Sobral

**BUILDING
THE CASE FOR THE
AMAZON ORIGIN
SUSTAINABLE
COCOA**

Cocoa supply chain



Adapted from: Cocoa Barometer 2021, p.12

Global production relies on 5 – 6 million smallholder farmers.

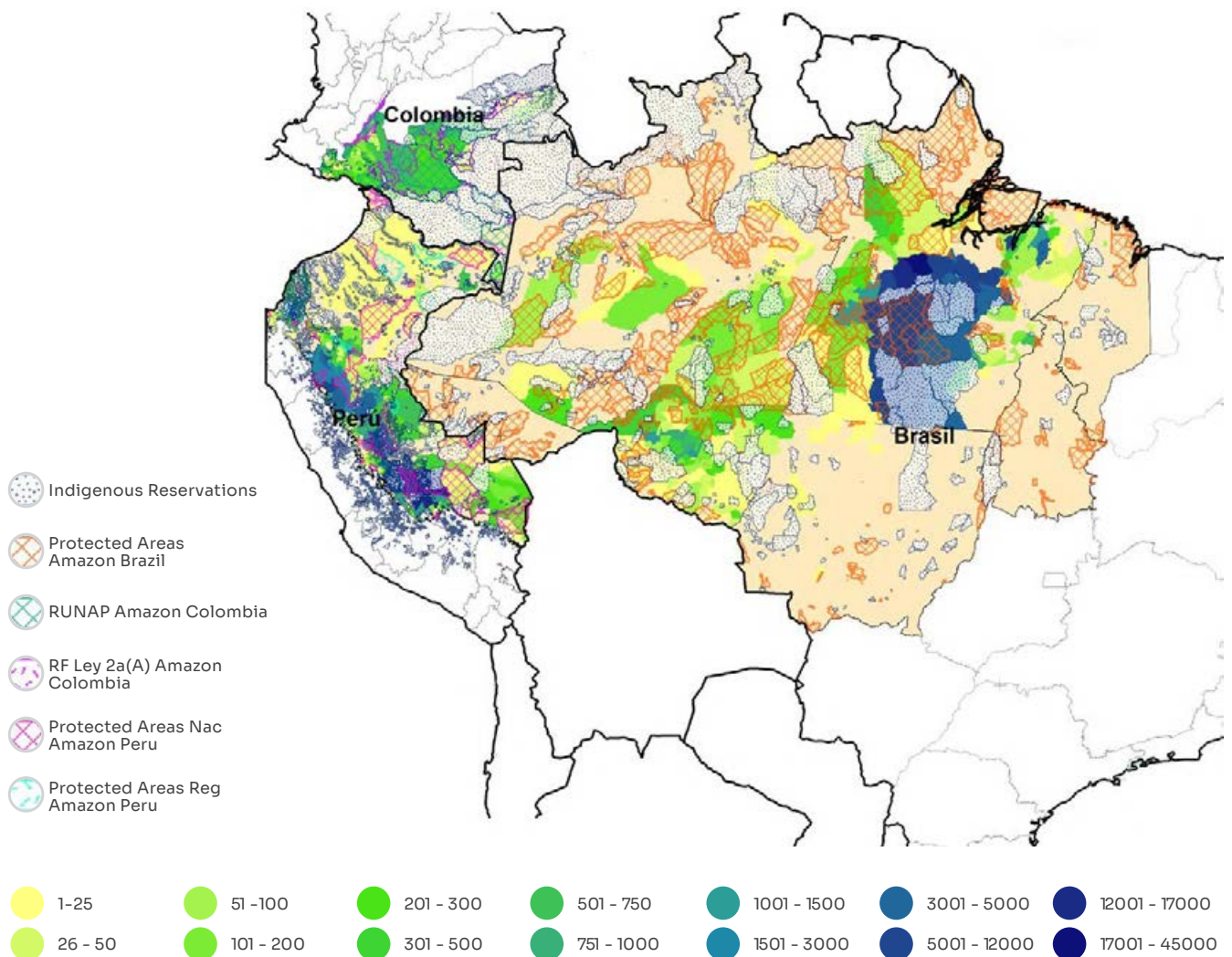
Despite their essential role for the industry, **smallholder producers remain largely unorganized and have little representation or clout in global markets for price-setting**. In contrast, a small number of companies — eight traders and grinders, and six manufacturers — have a market share of 60 – 80% and 40% of the global market.

In-house company programs and government initiatives emphasize revitalizing the sector through investment to provide access to farm inputs, deploying agroforestry systems, and increasing farmer knowledge capacity. The low productivity and capacity is seen as a major threat to preservation of forests, and it is prioritized for investment and action by stakeholders.

In Latin America, the cocoa sector enjoys better productivity and an increasing share in the cocoa market driven by high market demand, including for high-quality products, such as fine flavor cocoa. Latin American producers also show an increasing trend toward high-tech, large-scale systems with significantly higher yields. (Source: World Bank)

WHERE ARE WE NOW? THE AMAZON ORIGIN COCOA LANDSCAPE

REGIONAL SUMMARY MAP: JURISDICTIONS WITH PRESENCE OF COCOA AND PROTECTED AREAS

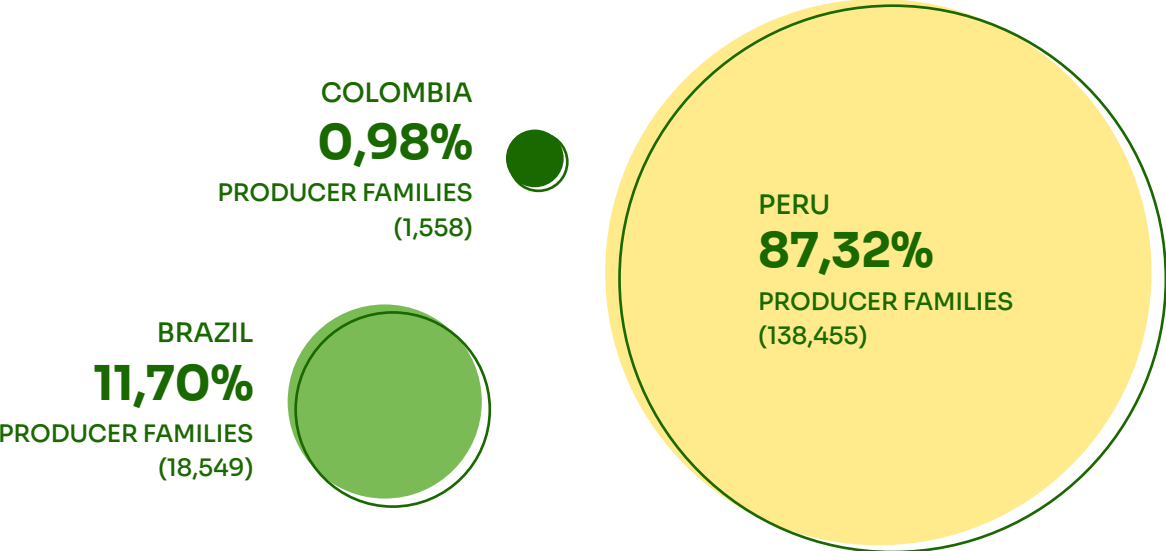


Source: ALISOS

A **Baseline Study** executed by ALISOS with TFA support has provided key insights about the regional characteristics of Amazon Origin Cocoa and its potential to become a high-demand product based on its environmental and socioeconomic attributes.

Producer profile

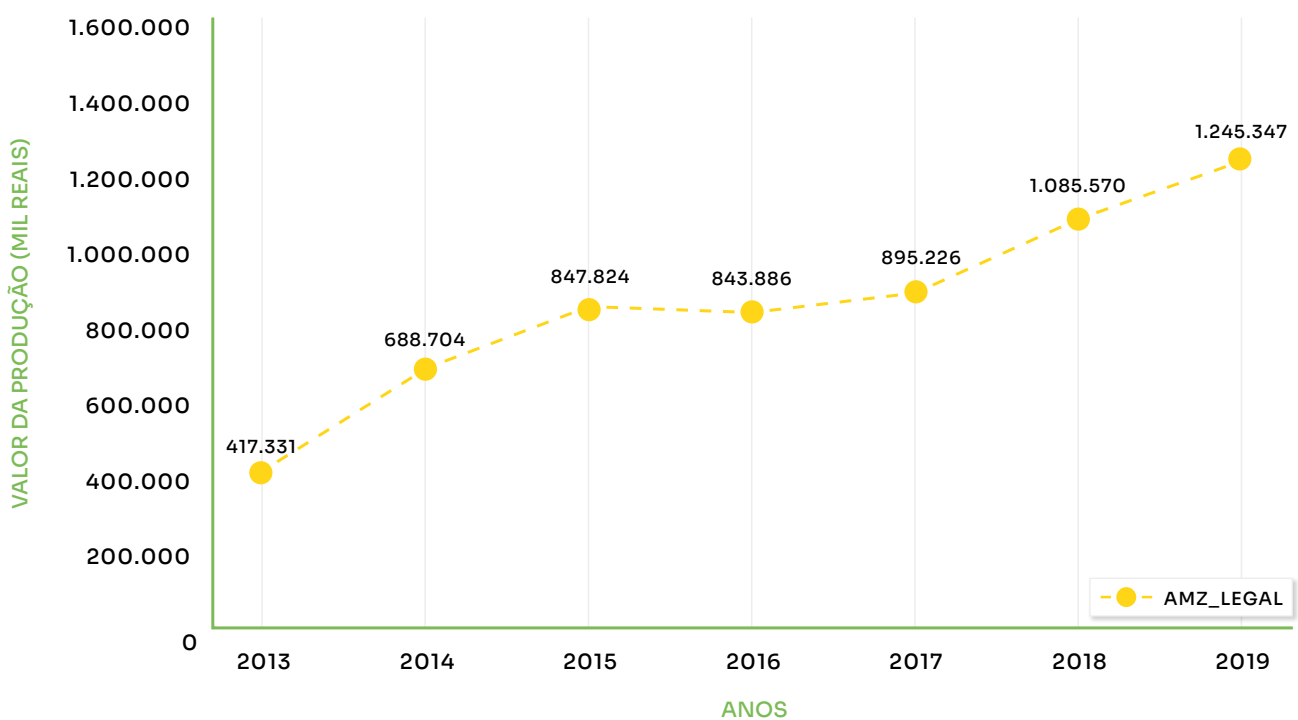
Cocoa cultivation in the Amazonic region is mostly carried out by medium and small producers: there are, in total, 158,562 producer families – 87% of them based in Peru.



Sustainable and profitable

Quality products related to origin, such as fine cocoa, have a reputation and quality (flavor) associated with their place of origin, which represents a heritage to be conserved and a potential for differentiation in the market. When these characteristics are recognized, they can be valued by the consumer through a label or a designation that refers to the origin.

VALUE OF COCOA PRODUCTION IN THE LEGAL AMAZON BETWEEN 2013 AND 2019



Fonte: Amazônia 2030 com base nos dados do IBGE-PAM

Implementing these challenges requires systemic analysis and holistic and local engagement, integrated approaches combining the different recommendations, that address root causes on the ground and establish appropriate conditions for cocoa sustainability.



WHAT ARE THE KEY ATTRIBUTES OF SUSTAINABLE COCOA PRODUCED IN THE AMAZON?

TFA and Imaflora, in collaboration with national sustainable cocoa platforms from Peru, Colombia and Brazil, **have identified the minimal attributes at a regional level**, to be monitored by the systems in place on each country:

1) A Tool to Restore and Protect the Amazon Rainforest

- Native to the Amazon and important for genetic diversity
- Suitable for recovery of degraded areas and soil regeneration
- Promotes carbon sequestration
- Connects production areas with native forests as biological corridors for species and improves biodiversity as compared to pastures

Safeguard: Cocoa cannot be a deforestation driver: In most producing regions cocoa is not a driver, but monitoring systems should be developed in the future.

2) Income Generation for Small Farmers

- Viable alternative to illicit crops
- Opportunity to integrate agroforestry with other means of production (like cattle)
- Inclusion of Women and indigenous populations
- Generation of direct and indirect jobs

Safeguards on working conditions: Producers, even the small ones, need to be trained and guided on how to proceed in this regard.

Furthermore, there are specific criteria regarding key factors such as environmental, socioeconomic and variety.

ENVIRONMENTAL

Cocoa plants must be combined with a diversity of species typical of the surrounding forests and contribute to soil, carbon capture and water retention. The crop can generate connectivity between forest patches. Environmental attributes must enhance local varieties that present the desired organoleptic characteristics.

SOCIOECONOMIC

Short-cycle crops (such as cassava and banana) can contribute to the cash flow of the producing families while cocoa reaches its productive maturity. To obtain a better income, it's also important that the produced cocoa achieves an excellent quality (including better fermentation and drying) and a high productivity per plant - that's essential to compensate the reduction of areas dedicated to cocoa in agroforestry arrangements that also include short-cycle crops. Cocoa, especially in AFS, can also obtain economic incentives linked to carbon capture.

Agreements between the EU and cocoa-producing countries are being made **to ensure a transition towards an environmentally sustainable cocoa production**, providing a living income to farmer households, free from child labor and other human rights abuses, and where gender equality is the norm.

VARIETIES

Organoleptic standards are the main criteria among cocoa buyers to define fine-grain cocoa, which leads to premium payments when these standards are considered exceptional. Genetics, cultivation practices and post-harvest are equally important to achieve this result, and producers can partner to improve each front and, consequently, also improve their cocoa sales prices. Certifications, such as fair trade and organic production, can also be obtained to assure a price upgrade.

ICCO estimates that of all cocoa production, including the Amazonian portion, 95 percent of cocoa exported from Colombia are 'flavor fine' (IDEAM), 75 percent of Peruvian cocoa is categorized as fine and 20-25 percent is certified (organic, fair trade, among others) (Szott, et al 2017).

Participation per Region (Total Production)		Cocoa "Fino"	Average Productivity	Growers Profile	Supply Chain Coordination	Improvement	Public Programs and Other Sustainability Initiatives
Brazil (Pará)	52%	Low volumes, a few initiatives of quality improvement	1,5T/ha	Mostly Small growers	Lack of chain coordination, few cooperatives and associations	Post harvest Traceability Lack of professionalism Logistics Chain coordination Growers financing	"Green Stamp" - Selo Verde (Cacau da Amazônia e Cabruca), IN Conjunta SEMAS/ IDEFLOR - BIO NO 7 de setembro de 2020
Colombia (Caquetá)	1%	95%	0,36T/ha*	Mostly Small growers	Cooperatives and growers associations	Productivity Traceability Technical improvement Logistic Growers financing	Fondo de Fomento Cacaotero Fondo de Estabiizacion de Precios
Peru (San Martin)	41,7%	75%	0,96T/ha*	Mostly Small growers	Cooperatives and growers associations	Traceability Technical improvement Logistic Growers financing	Fair Trade Certification

*Average productivity in all regions.

ALISOS – Alianzas para Sostenibilidad.

MONITORING AND TRACEABILITY

Cocoa traceability is challenging, but a crucial step to the region. The supply chain is complex, it involves numerous stakeholders and multiple steps, and new solutions can be difficult to implement due to the governance system in producing regions.

ISO-CEN 34101 definition of Traceability systems

“A traceability system for sustainably produced cocoa is a technical tool to assist a cocoa supply chain actor operating within a cocoa supply chain to achieve defined sustainable cocoa objectives. The complexity of the traceability system for sustainably produced cocoa may vary depending upon requirements of each stage of the cocoa supply chain and the objectives to be achieved. It is intended to be flexible enough to allow cocoa supply chain actors within the sustainably produced cocoa supply chain to achieve identified objectives but robust enough to ensure credible implementation. The choice of a traceability system for sustainably produced cocoa is influenced by applicable requirements, product characteristics and customer expectations.”

Source: IDH

To better understand the specific challenges regarding the Amazon region, TFA and ALISOS have come together to promote a knowledge exchange between Brazil, Peru, Colombia, and Ecuador regarding current deforestation-monitoring tools.

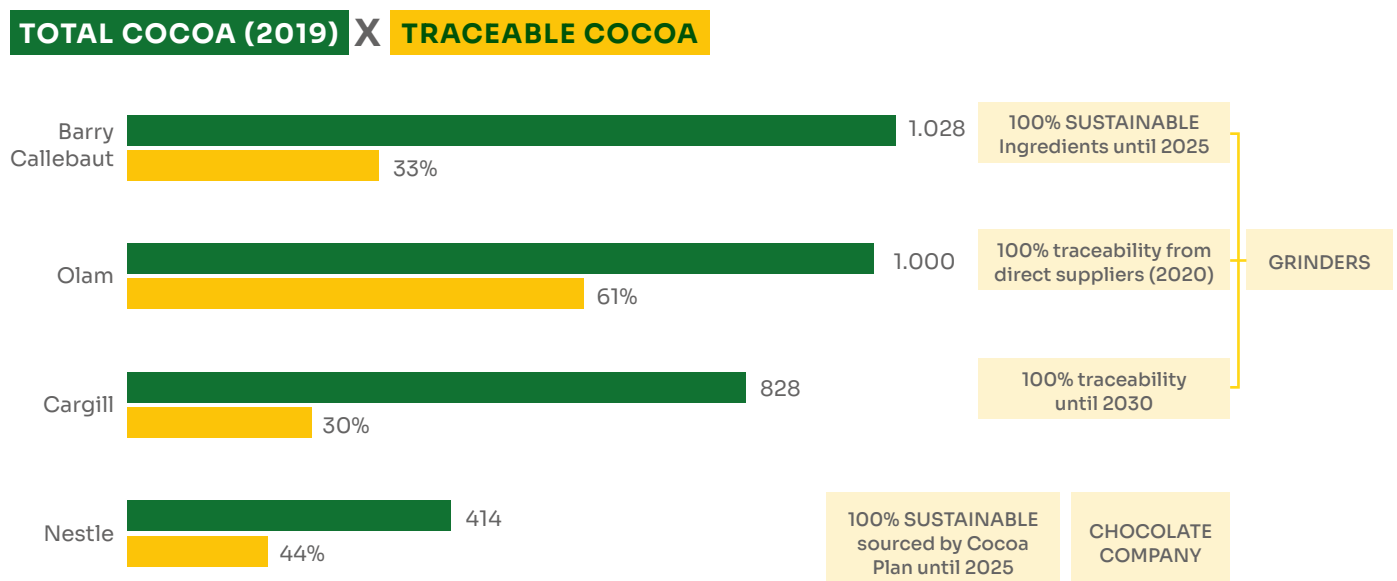
The key players from each country’s cocoa sector have a set of common challenges, such as the need to integrate information from official platforms in specific monitoring systems (usually, crucial data for monitoring are not provided in real-time by public entities) and the need to guarantee the system’s economic sustainability (monitoring tools are costly and, therefore, are still limited in terms of access).

Overall, each country already has systems being developed and piloted, but the technical aspects of monitoring, the process of implementation, and the need of financial incentives for families that rely on cocoa cultivation to improve their quality of life are among the main topics to be addressed – now, sooner than later.

The announcement that European markets will only be purchasing certified cocoa from 2020 onwards was a turning point to cocoa-exporting countries. The initiative, launched by the European Commission to improve sustainability in the cocoa sector, has set obligations for operators to exercise due diligence and for traders to keep a traceable record of their suppliers and customers.

Differentiation schemes, such as certification, have become a key strategy to advance the economic conditions of cocoa farmers, through certification schemes that aim to improve labor conditions and the profit share for producers, and that benefit both the local communities and the environment.

This movement was also accompanied by the individual commitments to some of the world's leading brands, that have put in place specific programs to assure full traceability from cocoa suppliers and/or the change to sustainable ingredients.



Partly to respond to this new demand (keep in mind: the European market is responsible for over 60% of the world's cocoa imports), and also to unlock new opportunities for Amazon-produced cocoa, the players involved on the TFA and ALISOS initiative have agreed on a few mandatory topics for the region:

- To develop feasible, transparent, efficient and cost effective monitoring/traceability mechanisms
- To create information and funding systems to strengthen these strategies
- To provide compensation mechanisms to producers
- To generate incentives through different markets
- To determine the pricing of products originated in deforestation-free regions
- To assess and classify risks

While Peru and Colombia's exports to the European market are already expressive, Brazil's cocoa is still mostly directed to the internal market - partly due to the industry's considerable demand, but mostly due to the a production volume that's still shy of its potential.



How are the countries developing and implementing traceability tools

National initiatives already in place or underway:

- **In Brazil**, [Cacau 2030](#), a project implemented by Imaflora and Cocoa Action, acts to improve cocoa value chains in Brazil, which includes a traceability topic that will be developed among key players on producing areas.
- **In Colombia**, the [Action Plan from Cocoa, Forests & Peace \(CB&P\)](#), that also contemplates the country's monitoring systems for cocoa production in the Amazon region, is at its final development stage. Among its signatories are Casa Luker, responsible for purchasing over 30% of the national cocoa production; the Federación Nacional de Cacao, experience in monitoring and traceability; and organizations such as the World Resources Institute, whose platform Global Forest Watch Pro and its technology Forest Atlas were crucial to support deforestation and monitoring in West Africa. TFA and the Zero Deforestation agreements are piloting different monitoring platforms at a farm level; IDEAM has been strengthening its capacity to monitor deforestation at a country level; ALISOS, WRI and Rainforest Alliance are piloting monitoring and traceability tools in the Amazon Region, among others.
- **In Peru**, a wide range of programs and initiatives are already in place to promote a deforestation-free cocoa production. [The Acuerdo Cacao, Bosques y Diversidad](#) considered as main priorities to promote different options of monitoring and traceability tools in order to contribute to the companies and cooperatives that can guarantee deforestation-free supply chains. Geobosques is a public system to monitor forest recovery in the Peruvian Amazon that is working to provide solutions for monitoring supply chains, but other public tools are in progress. Many actors are also developing the traceability of deforestation free, such as Acopagro with support of Proforest and Alliance Cacao Peru.
- **In Ecuador**, the MPCEIP (Ministerio de Comercio Exterior, Inversiones y Pesca), ONUDI (Organización de las Naciones Unidas para el Desarrollo Industrial) and MAG (Ministerio de Agricultura y Ganadería) have created a national traceability program for the cocoa market, aiming to implement a national, unified traceability system. PNUD (Programa de las Naciones Unidas para el Desarrollo) and APEOSAE (Asociación de Pequeños Productores del Sur de la Amazonía Ecuatoriana) have also developed a project to use blockchain technology for cocoa traceability.

PROAmazonia - an Ecuador-lead initiative coordinated and articulated between Ministry of Environment and Water and the Ministry of Agriculture and Livestock with other institutions such as Decentralized Autonomous Governments - works to build a regional platform that includes associative strengthening and the implementation of traceability and certification systems. In order to improve the quality of Amazonian cocoa we support the evaluation and repowering of key collection centers and foster strategic alliances with national and international markets.

Traceability systems of standard setting bodies

The certification process involves the implementation of an internal control system by the farmer or cooperative, and an official audit or verification by a third party. The hired auditor submits findings to the certification scheme. Regular audits are conducted to assess compliance.

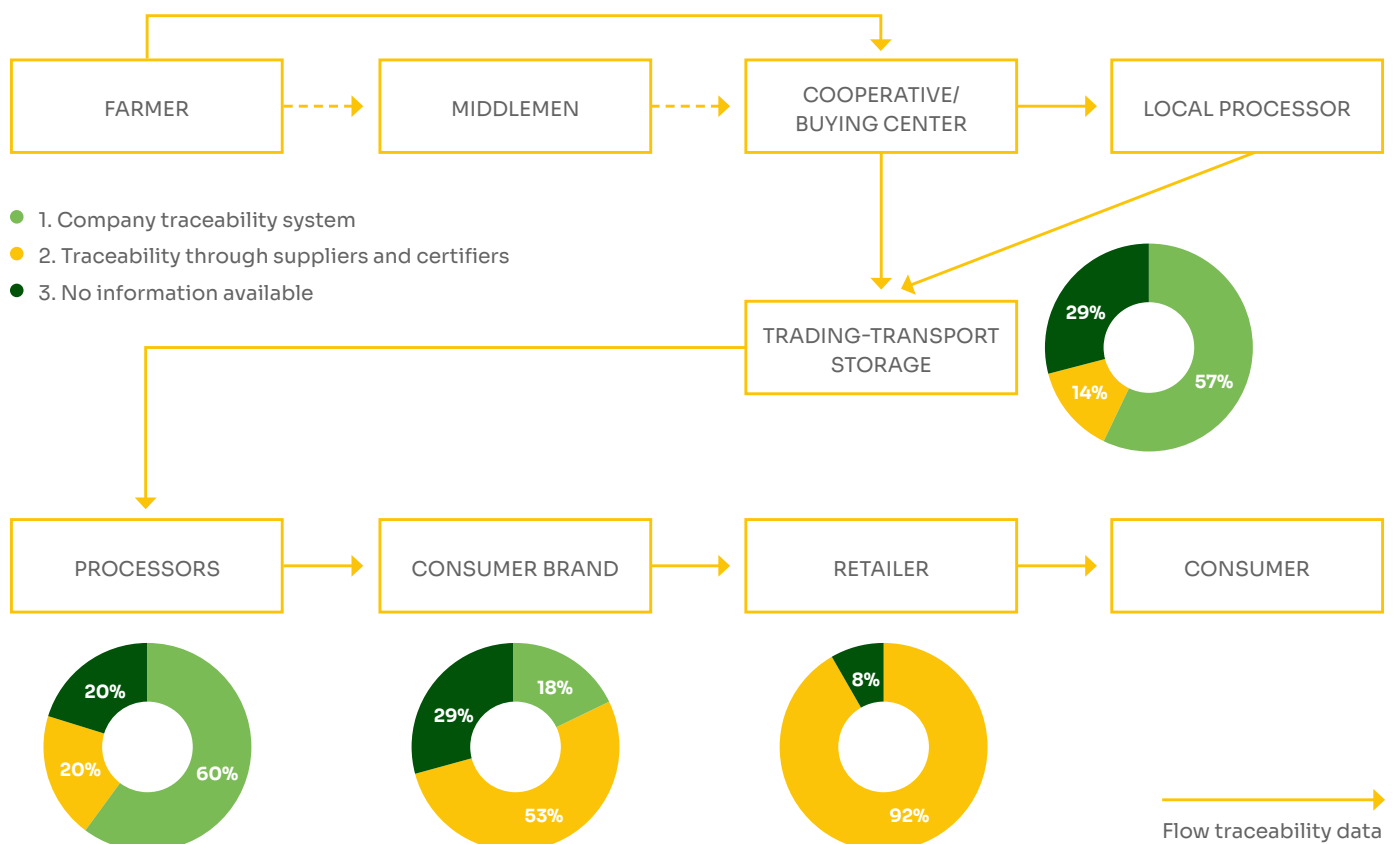
Rainforest Alliance: UTZ was the largest program for sustainable cocoa, merged with Rainforest Alliance in 2018. To promote sustainable farming, it has developed two standards: the Code of Conduct (Code) and the Chain of Custody Standard (ChoC). The code of conduct promotes sustainable farming practices, based on a set of criteria for socially and environmentally responsible cocoa production and efficient farm management. The continuous improvement structure lowers the threshold for producers to join, while ensuring traceability, safety and quality.

Fairtrade International: Defines compliance criteria to ensure the level of conformity across organisations and countries using Fairtrade Standards. When a product displays the FAIRTRADE Mark, it means that the producers and businesses have met the social, economic and environmental standards set by Fairtrade. According to Fairtrade International, traceability is defined as, “the ability to identify and trace the history, location, use and processing of products and materials”.

Fairtrade and Rainforest Alliance have joined forces with the aim of better visualizing and assessing deforestation by a **Deforestation Risk Analysis** mapping in locations where certified producer organizations are located and in order to develop strategies to combat deforestation and support sustainable livelihoods for farmers and workers.

Traceability systems of Private Sector

In the last decade, **multiple company-led traceability systems have emerged in the cocoa sector**, with companies designing and implementing their own traceability systems according to their own sustainability standards, and based on their specific needs.

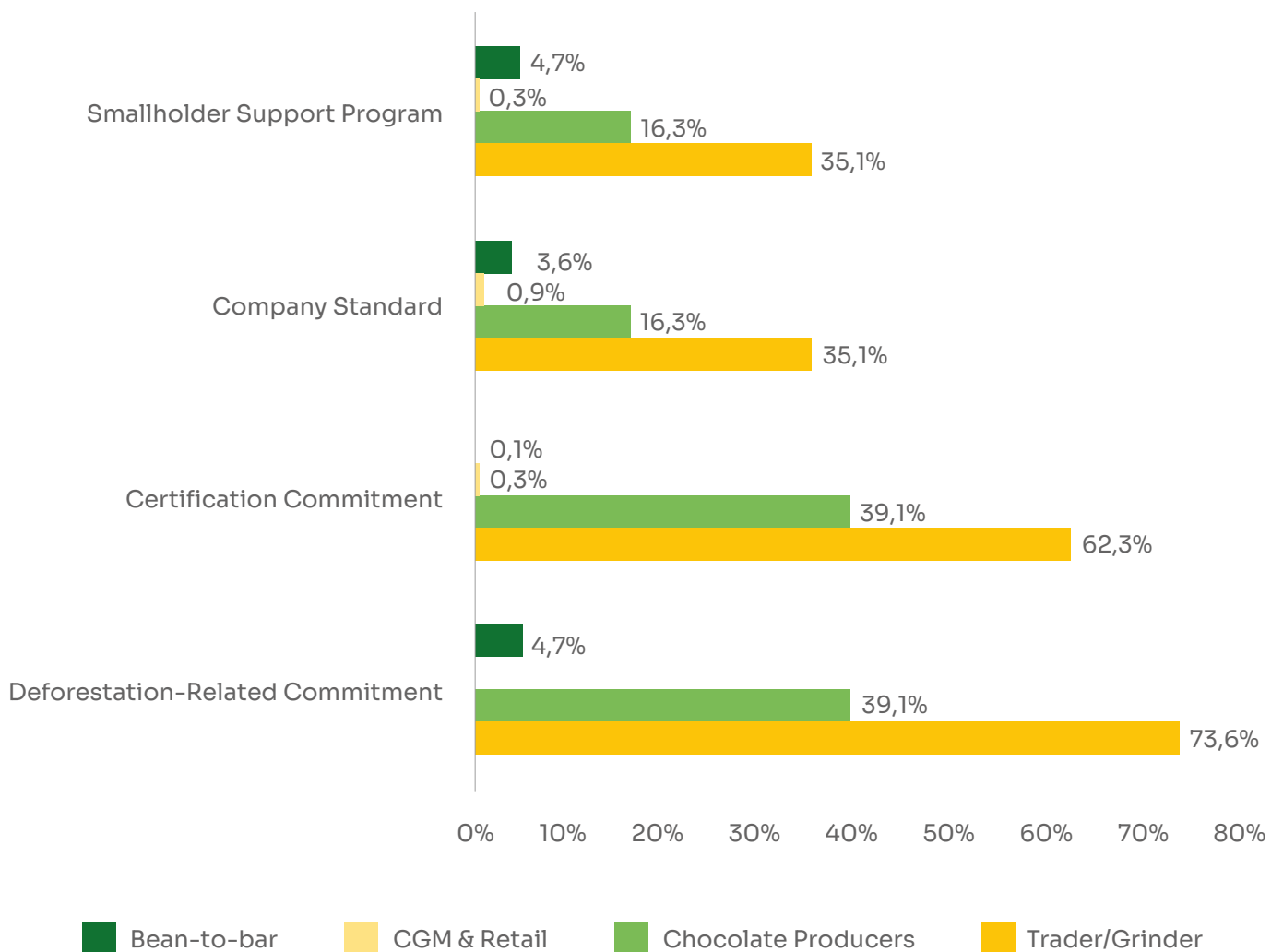


Source: c-lever.org

A growing number of actors in the cocoa value chain from the private sector, as well as standard setting and certification bodies, have been exploring how technology solutions can help improve their traceability systems. Most of the private sector traceability systems are strongly linked to digital service providers. These systems provide a range of tools that: **1)** gather and verify the geographical origin of cocoa at source; **2)** define, measure and link sustainability characteristics to batches of produced or processed cocoa; **3)** forward origin and sustainability characteristics along the value chain.

Companies are making deforestation related commitments for a multitude of reasons, including declining productivity, environmental degradation and forest encroachment, and strategic and operational concerns about the security of a long-term cocoa supply. Below are the details of the 19 companies that shared information on their commitments, based on the World Bank study (Tracking Progress of Efforts to Eliminate Deforestation in the Cocoa Supply Chain). This includes bean-to-bar companies, chocolate producers, trader/grinders, and three companies in consumer goods and retail.

PERCENT OF GLOBAL COCOA PRODUCTION THAT IS IMPACTED BY DIFFERENT COMMITMENT TYPES PER SUPPLY CHAIN SEGMENT



Source: Climate Focus)

How to make the most of the market opportunities?

While it's important to notice that the culture of commodity will always be relevant, due to its high productivity and global demand, **the international market's need for traceable, high-quality products is an undeniable reality.**

Here are some opportunities that prove it's better not doing "business as usual".

- **It all comes together:** The growing consumer demand for single original chocolate, and a global interest in sustainable production, is aligned to the chocolate industry's need to preserve its stakeholder confidence through flavor and quality.
- **New market niches are opening up everyday:** In this context, the price of the final product is likely to be higher – but, when accompanied by a sustainability-oriented marketing strategy, the industry can reach the **desired target by providing the exact attributes it seeks and wants.**
- **Traceability is the best for all parties:** Products that are based on origin, production method and processing technologies are not only attractive to consumers (by guaranteeing food safety and quality), but also to the industry's interest in protecting their brands reputation and distancing itself from potentially harmful practices (such as child labor and other human right abuses).
- **Amazon brand:** We're talking about the world's most important biome and a region that's always been at the eyes of the world due to its alarming deforestation rates. Which company wouldn't want to be involved with a transformative agricultural practice that helps to preserve and restore the Amazon's ecosystems, soils, biodiversity and water sources, while also allowing carbon capture and improving the living and working conditions of local communities? It's a storytelling that speaks for itself.

Ensuring the sustainability from cocoa farming through all value chains is not possible without adequate forms of cocoa traceability. **For the ambition of European initiatives for sustainable cocoa (such as GISCO, SWISSCO, Beyond Chocolate and DISCO) to be achieved, the cocoa origin transparency is crucial.**

Global Market Regulations – Challenges

The review of existing systems and TFA and ALISOS findings helped identify the following challenges to the sourcing requirements from demand side:

1. Align on common definitions and standards for traceability in the cocoa sector, including and demand side regulations
2. Gaps to overcome in the traceability indirect supply chains
3. Lack of coordination, collaboration and synergy in developing traceability systems or exploiting big data and innovative traceability in value chains for cocoa and other commodities

Implementing these recommendations **requires systemic analysis and local engagement to avoid and mitigate non applicable or negative impacts**, but integrating approaches combining the different recommendations, that address root causes on the ground and establish appropriate conditions for cocoa sustainability.

See Publication: **[EU regulation on deforestation-free products](#)**
[Recommendations for a forest positive impact.](#)

04



Isabel Sobral

AMAZON COCOA PORTFOLIO OF INITIATIVES

AMAZON COCOA PORTFOLIO

BRAZIL



CAMTA

Organization:

CAMTA (Cooperativa Mista de Tomé-Açu)

Country:

Brazil

State/City:

Pará/Tomé-Açu

Contact:

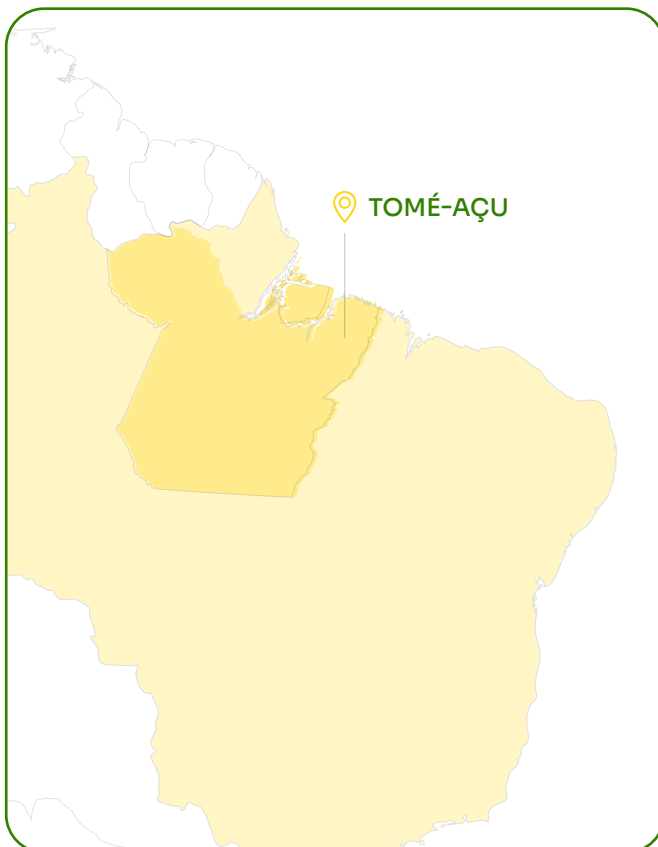
camta@camta.com.br

Site:

www.camta.com.br

THE INITIATIVE

“Cooperativa Agrícola Mista de Tomé-Açu”, began its activities in 1929 in Pará, farming cocoa, vegetables and rice. The cooperative employs around 170 persons and more than 1,800 registered family farmers.



Aiming at the producers economic stability, SAFTA (Sistema Agroflorestal de Tomé-Açu) is created with the main goal of transform the region in an important exporting hub of tropical fruits and a development, innovation and technology dissemination reference for Brazil, Bolivia and Ghana.

The company has the international certificates: Organic Brasil, USDA Organic, Kosher Parve – BKA, JAS, Organic Agriculture EU, Family Farming Stamp Brazil, Geographic Identification Seal – GI Tomé Açú.

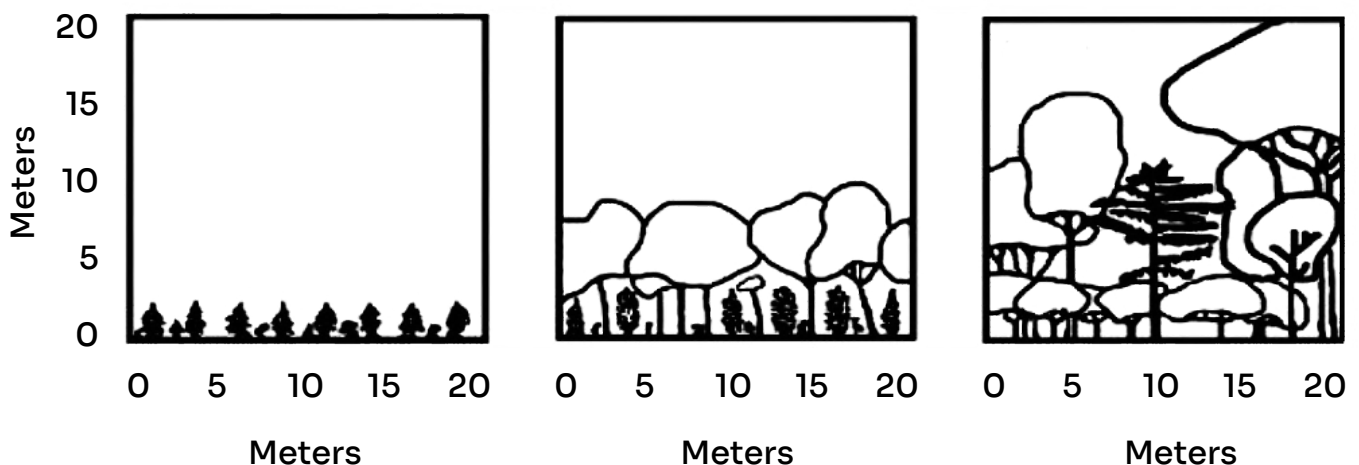
SAFTA

SAFTA method started in the 70's through the intercropping of multiple agriculture, fruits and forest in areas where used to predominate the declining monoculture of black pepper. Inspired by the knowledge of riverine peoples of the region who lived on the banks of the rivers of the Amazon that imitated the Forest when practicing polyculture. CAMTA has tested, throughout the years more than 200 agriculture models, combining different species such as banana, passion fruit, açai, cupuaçu, acerola, cupuaçu, syringe, Brazilian nut, andiroba, bacuri, uxi, mahogany, etc.

The ones that have shown more promissory were reapplied with an agronomy space definition, harmonic combination of fruity and forestry plants, rebuilding the landscape where used to have wide black pepper farming. Turning the area, nowadays, into a mosaic of agroforestry plantations, considered a true agroforestry laboratory.

CAMTA, worrying about the global climatic changes, encourages the associates to practice SAFTA method in their agriculture properties, contributing to the reduction of primary forest devastation. Its dissemination has promoted a better quality of life of evolved communities, with the cocoa culture being responsible for the economic region base line, assuring a continuous production, respecting the local culture and food habits and, as a result, guaranteeing the commercialization of the products generated in the continuous and sustainable production chain.

PROFILE OF THE AGROFORESTRY SYSTEM FORMING THE SUCCESSIVE PRODUCTION CHAIN



SAFTA (TOMÉ-AÇU AGROFORESTRY SYSTEM) EVOLUTION



Degraded Area



1Y SAFTA



5Y SAFTA



35Y SAFTA

KEY ACHIEVEMENTS AND LOOKING AHEAD

Nowadays, it counts on more than 170 associates, summed to more than 1.800 familiar producers that supply raw materials and it still has an important role in the region development in terms of economic, ecologic and social sustainability, employing more than 10.000 people direct and indirectly and fomenting economic stability of the associates throughout the national and international selling of black pepper, cocoa beans, noble vegetable oils and 15 types of tropical fruits pulps.



ATTRIBUTES FOR FOREST RESTORATION AND CONSERVATION

- ✓ Shaded-system production
- ✓ Agroforestry system
- ✓ Plantation made in degraded areas
- ✓ Conversion of pastures into agroforestry systems
- ✓ Plantation made in native forest
- ✓ Plantation made in a productive restoration system
- ✓ Perspective of restoring degraded areas with cocoa
- ✓ Monitoring and reastreability tools and methods. Which?
Producers registers (annualy updated)

ATTRIBUTES FOR SOCIAL AND ECONOMIC ISSUES

NUMBER OF BENEFICIARIES / PRODUCERS: **+1800**

- ✓ Producers/associates are covered by family farming laws
- ✓ Women leading a part of productive process
- ✓ Training for those involved in the production and management of properties. Which ones?
SENAR, OCB, SEBRAE
- ✓ Certifications. Which ones?
Organic Açai Certification

MAIN PRODUCTION AND COMMERCIALIZATION CHALLENGES TO BE ADDRESSED

- ✓ Adequacy to environmental laws
- ✓ High cost of inputs
- ✓ Lack of manpower
- ✓ Logistics

CAMPPAX

Organization:

CAMPPAX (Cooperativa Alternativa Mista dos Pequenos Produtores do Alto Xingu)

Country:

Brazil

State/City:

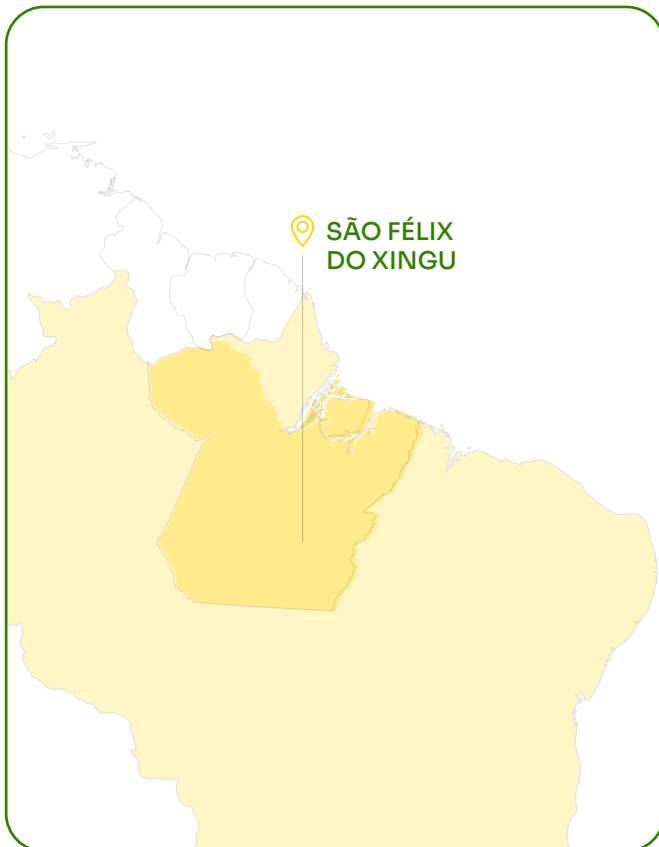
São Félix do Xingu - Pará

Contact:

campmax@financeiro.com

THE INITIATIVE

Founded in 2013, CAMPPAX, Cooperativa Alternativa Mista dos Pequenos Produtores do Alto Xingu, hosts 220 families and produces around 2000 ton of cocoa every harvest. Located in São Félix do Xingu, a region historically marked by deforestation and extensive cattle ranching, nowadays has, in cocoa, an important tool for the forest landscape maintenance, for being a culture that is intercropped with numerous native trees of economic and environmental interest, in addition to being an important economic activity, combining the forest with development and income generation for the region.



Producing in agroforestry systems, CAMPPAX has certifications such as Fair Trade and Organic. Also it is part of programs as “Projeto Florestas de Valor”, in partnership with Imaflora, with the main goal of strengthening non-timber forest product chains, the dissemination of agroecology and forest conservation in 3 regions of the state of Pará: Calha Norte of the Amazon River, Terra do Meio and the county of São Félix do Xingu.

Also in 2013, CAMPPAX cocoa was tested by the Industria Brasileira do Cacau (IBC) and by the Brazilian company Cacau Show, which classified it as cocoa type 1 for the production of specialty chocolates.

ATTRIBUTES FOR FOREST RESTORATION AND CONSERVATION

CERTIFICATION

- ✓ Shaded-system production
- ✓ UTZ

PRODUCTION METHOD

- ✓ Agroforestry system

MAIN INITIATIVES AND SUPPORT PROJECTS

- ✓ Programa Florestas de Valor (Imaflora)
- ✓ Programa de Assessoria aos Negócios Comunitários (CONEXSUS)
- ✓ Ativadores de Crédito (CONEXSUS)

MAIN PRODUCTION AND COMMERCIALIZATION CHALLENGES TO BE ADDRESSED

- ✓ Difficulty in accessing supplies
- ✓ Little management of large shade trees



COOPERCAU

Organization:

COOPERCAU (Cooperativa de reflorestamento e bioenergia da Amazônia)

Country:

Brazil

State/City:

Novo Repartimento – Pará

Contact:

coopercau@coopercau.com.br

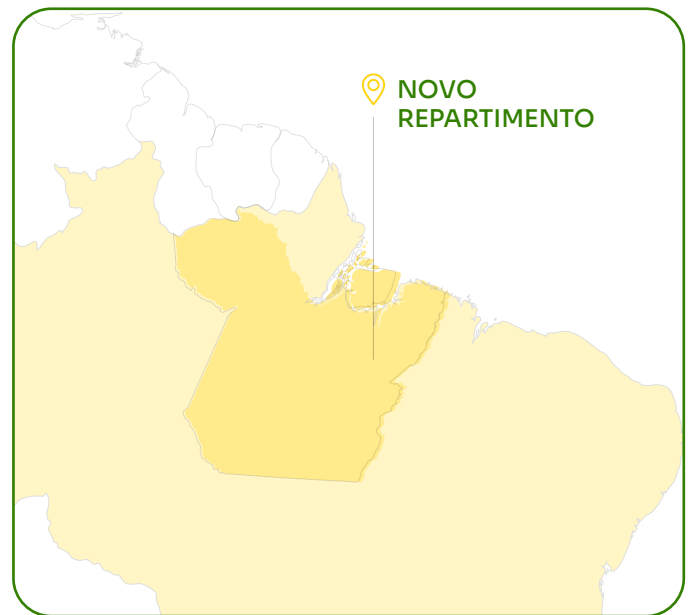
THE INITIATIVE

In the county of Novo Repartimento, Pará, is located one of the largest rural settlements in Latin America, COOPERCAU, that promotes the socioeconomic inclusion of around 225 families of small producers of cocoa and cattle raising, which increase productivity and income.

By adopting SAFs (Sistemas Agroflorestais), COOPERCAU raised the productive system diversification, which brought an increase in sustainable practices on the properties, towards achieving zero deforestation in family farming. In addition, the initiative's goals are to promote efficient land use, with the recovery of degraded pastures on rural properties. This strategy also allows the inclusion of more vulnerable groups, such as women and young people, and their succession in the countryside.

In partnership with Solidarid Brasil, they've implemented ATER (Assistência Técnica e Extensão Rural) that acts in 4 pillars: individual technical visits, the creation of demonstrative units, collective trainings and digital tools to help the extension workers.

By believing in the crucial role that associations and cooperatives play for local producers and works actively to strengthen the collective organization in the territory by incubating COOPERCAU, so that it takes ownership of the ATER model developed by Solidaridad and adapts to a new business model.





In collaboration with Coopercau for the 2019–2020 harvest, Solidaridad Brasil achieved something unprecedented in the cocoa chain: a “sustainable barter” operation, with sustainability criteria defined in a contract with a cocoa-buying company. One of the clauses establishes the commitment of producers and producers not to deforest during the activities and that there is no child and degrading labor on the property. The next step is to make the purchase of cocoa without deforestation become standard in commercial negotiations, adding value to beans in the Amazon.

ATTRIBUTES FOR FOREST RESTORATION AND CONSERVATION

PRODUCTION METHOD

- ✓ Agroforestry system

MAIN INITIATIVES AND SUPPORT PROJECTS

- ✓ Territórios Inclusos e Sustentáveis da Amazônia (Solidaridad)
- ✓ Cocoa Life (Olam/Mondelez)
- ✓ Ativadores de Crédito (Conexsus)

MAIN PRODUCTION AND COMMERCIALIZATION CHALLENGES TO BE ADDRESSED

- ✓ Low technology access
- ✓ High cost of agricultural inputs

AMAZON COCOA PORTFOLIO

PERU



CPCACAO

Organization:

Cooperativa Agroindustrial CPCACAO
Tocache

Country:

Peru

State/City:

Pólvora / Tocache

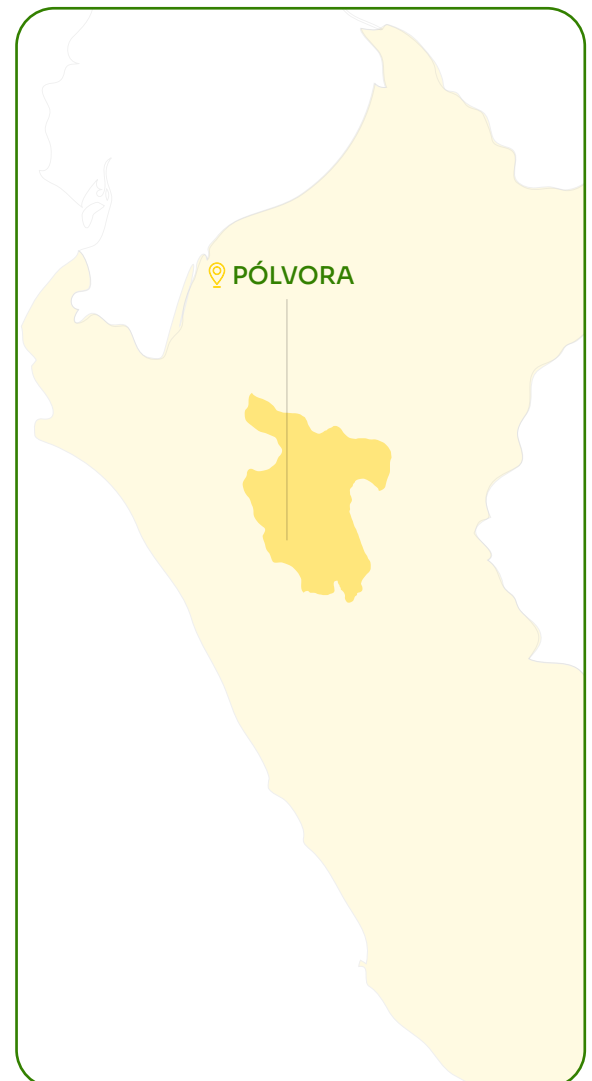
Contact:

pcacaotocache@hotmail.com
detocachesusproductos.com

THE INITIATIVE

CPCacao is an organization in Peru with around 120 associates that works with organic certification, calculated carbon rates and fair trade of cocoa in Polvora district, that is a province of Tocache. Occupying a total area of 407 hectares (80 of them are certified) and with an average annual yield of 850 kg/ha, 100% of the production is allocated to national market, having Central de Cacao y Aroma (a second level organization that is in charge of exporting cocoa) and another national buyers – CPCacao doesn't export directly to international markets.

With most of the production being in a conventional and organic agroforestry production system – small producers and aligned with environmental practices, CPCacao counts on national and international allowances for labor capital. They are part of national funds such as PNIA and Innóvate Peru and have all infrastructure needed to attend the whole volume of production.





MAIN PRODUCTION AND COMMERCIALIZATION CHALLENGES TO BE ADDRESSED

- ✓ Completing the certification process of the CP Cacao members.
- ✓ Georeferencing of the perimeter of the producers' farms.
- ✓ Technical assistance to improve productivity, with emphasis on the integrated management of pests and diseases, and the impact of the use of agrochemicals on conventional and organic production, in coordination with SENASA.
- ✓ Positioning of production, leading producers at an international level
- ✓ Diversification and access to differentiated markets that recognize cocoa production with the attributes of the cocoa initiative of Amazonian origin, and implementation of commercial alliances.
- ✓ Mechanisms to reduce risks for access to credit with lower interest rates.
Example: FONDESAM as a guarantee fund.
- ✓ Promote the implementation of a deforestation-free production monitoring system;
- ✓ Strengthening of capacities for access to competitive funds for the transfer of productive and post-harvest technology.
- ✓ Promote the application of a differentiated financial product for cocoa, in alliance with national and international financial institutions.
- ✓ Protocol for the incorporation of new partners that includes no deforestation criteria.
- ✓ Improvement of production traceability processes.
- ✓ Implementation of mechanisms for the recognition of emission reductions and circular economy.
- ✓ Elaboration of profiles of aromas and flavors of the cocoa bean.
- ✓ Link with regional recognition and differentiation processes, such as the "San Martín Region" brand.

CENTRAL CACAO AROMA

Organization:

Cooperativa Central Cacao Aroma de Tocache Ltda.

Country:

Peru

State/City:

Tocache / Tocache

Contact:

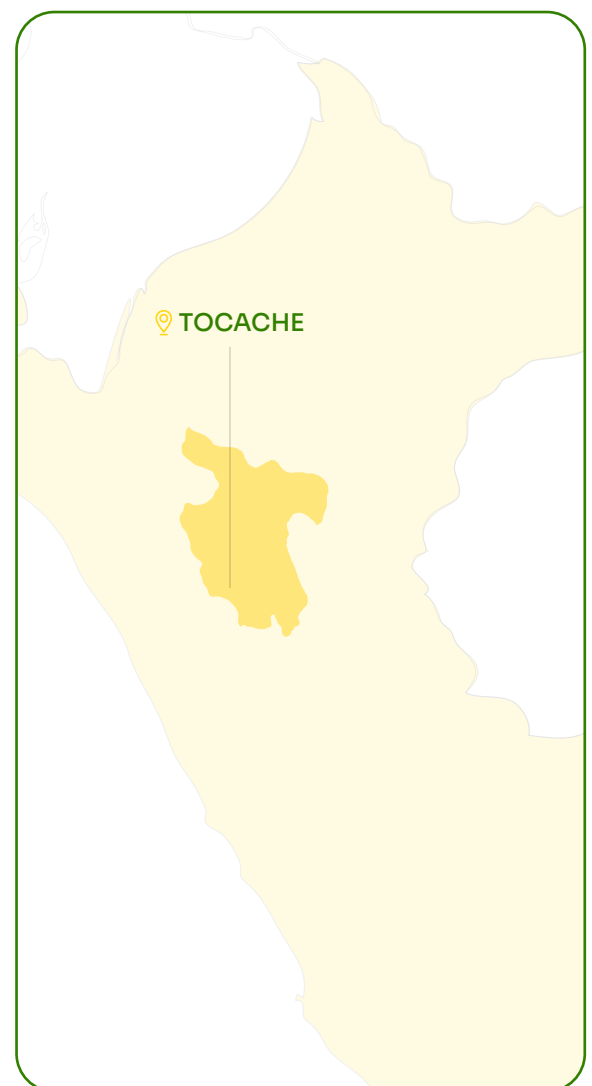
gerencia@cacaodearoma.com

www.cacaodearoma.com

THE INITIATIVE

Cooperativa Central Cacao Aroma de Tocache is a second level organization composed by 4 producers organizations: La Cooperativa Agroindustrial Paraíso (COOPA), Cooperativa Agroindustrial Cordillera Azul Nuevo Progreso, CPCACAO, and Asociación de productores de cacao Nueva Visión – Cachiyacu, that summed up, represents around 614 producers – being 156 women and 458 men. It has Organic Certification, Fair Trade and a local certification with HACCP.

Acting around Tocache province (Polvora, Uchiza, Tocache, Nuevo Progreso) in San Martín and in Centro Poblado de Paraíso Huánuco in Peru, its partners represent an area of 1,480 hectares of cocoa with an average annual production of 1,100 ton of cocoa destined for exportation, which represents 60% of the total production – the main markets for Central Cacao Aroma are Italia, Netherlands, Switzerland, Austria, Russia and Asia focused on transformers and chocolatiers, trying to eliminate intermediaries. The main cocoa varieties are Criollo (or Nativo), Forastero, Trinitario (hybrid). Clones: ICS1, ICS39, ICS95, TSH565 (Criollo segregated), CCN51.



The main production system is conventional handling, but they also have plots under agroforestry systems. A part of the plantations are the result of the reconversion of coca. More than 50% of their lands have land titles and the other half is in process of achieving it. They have productive infrastructure, such as collection centers, storage warehouses, grain (a modern one with HACCP), and post harvest modules.

They count on national and international financings, however, there are difficulties for proper access, especially oriented to the financial product and the % of interest for working capital and collection.

ATTRIBUTES FOR FOREST RESTORATION AND CONSERVATION

- ✓ Farmed by small producers
- ✓ Produced in agroforestry system
- ✓ Not associated to deforestation or degraded areas
- ✓ Conservation of agrobiodiversity
- ✓ Attend to national standards
- ✓ High quality recognition (flavor and aroma)

ATTRIBUTES FOR SOCIAL AND ECONOMIC ISSUES

- ✓ Not associated with indigenous peoples
- ✓ Without child labor
- ✓ Gender equity

MAIN PRODUCTION AND COMMERCIALIZATION CHALLENGES TO BE ADDRESSED

- ✓ Completing the certification process of the CP Cacao members.
- ✓ Georeferencing of the perimeter of the producers' farms.
- ✓ Technical assistance to improve productivity, with emphasis on the integrated management of pests and diseases, and the impact of the use of agrochemicals on conventional and organic production, in coordination with SENASA.

- ✓ Positioning of production, leading producers at an international level.
- ✓ Diversification and access to differentiated markets that recognize cocoa production with the attributes of the cocoa initiative of Amazonian origin, and implementation of commercial alliances.
- ✓ Mechanisms to reduce risks for access to credit with lower interest rates.
- ✓ Example: FONDESAM as a guarantee fund.
- ✓ Promote the implementation of a deforestation-free production monitoring system;
- ✓ Strengthening of capacities for access to competitive funds for the transfer of productive and post-harvest technology.
- ✓ Promote the application of a differentiated financial product for cocoa, in alliance with national and international financial institutions.
- ✓ Protocol for the incorporation of new partners that includes no deforestation criteria.
- ✓ Improvement of production traceability processes.
- ✓ Implementation of mechanisms for the recognition of emission reductions and circular economy.
- ✓ Elaboration of profiles of aromas and flavors of the cocoa bean.
- ✓ Link with regional recognition and differentiation processes, such as the “San Martín Region” brand.



CAT TOCACHE

Organization:

Cooperativa Agroindustrial Tocache

Country:

Peru

State/City:

Tocache / Tocache

Contact:

info@cacaotocache.com

www.cacaotocache.com

THE INITIATIVE

Cooperativa Agroindustrial Tocache counts with 481 associates – being 206 with organic certification and 110 UTZ with Fair Trade – acting around North Peru (the districts of Balsayacu, Pólvora, La Loma, Puerto Rico, Cepesa, Nuevo Horizonte, Nueva Chilia – San Juan de Cañutillo, Naranjal, Tananta y Almendras) and South Peru (Mantención, Ramal de Cachiyacu, Shapaja, Cahuide, Nuevo Progreso y Yanajanca).

The associates have, in total, 2,600 Ha of cocoa, with an average annual production of 1,180Kg/ha and 3,000 tn (97%) are mainly destined for exportation transformers and chocolatiers in Europe, Asia and USA, trying to eliminate intermediaries. Aiming to diversify markets and clients, they actively participate of international fairs as BIOFAC and also travel around Europe looking for new clients.

CAT Tocache has implemented a Blockchain Traceability system as part of their export practices, with its own certificate called “Cacao con Dignidad”, through which they use QR codes per bag that can be scanned by the client and then they can see all the information of the producer from where the production comes.

The main production system is conventional handling, but they also have plots under agroforestry systems. A part of the plantations are the result of the reconversion of coca. Around 85% of their lands are titled and the other 15% in process of getting it and are georeferenced.

In terms of financing, they count on limited access to banks in Europe and Peru for production, post-harvest and storage and have a productive infrastructure, such as collection centers, grain warehouses and a chocolate plant, all in an average condition of 7/10.

ATTRIBUTES FOR FOREST RESTORATION AND CONSERVATION

- ✓ Farmed by small producers
- ✓ Produced in agroforestry system
- ✓ Not associated to deforestation or degraded areas
- ✓ Conservation of agrobiodiversity
- ✓ Attend to national standards
- ✓ High quality recognition (flavor and aroma)

ATTRIBUTES FOR SOCIAL AND ECONOMIC ISSUES

- ✓ Not associated with indigenous peoples
- ✓ Without child labor
- ✓ Gender equity



MAIN PRODUCTION AND COMMERCIALIZATION CHALLENGES TO BE ADDRESSED

- ✓ Completing the certification process.
- ✓ Georeferencing of the perimeter of the producers' farms.
- ✓ Technical assistance to improve productivity, with emphasis on the integrated management of pests and diseases, and the impact of the use of agrochemicals on conventional and organic production, in coordination with SENASA.
- ✓ Positioning of production, leading producers and producers at an international level (PitchBook).
- ✓ Diversification and access to differentiated markets that recognize cocoa production with the attributes of the cocoa initiative of Amazonian origin, and implementation of commercial alliances.
- ✓ Mechanisms for risk reduction for access to credit with lower interest rates. Example: FONDESAM as a guarantee fund.
- ✓ Promote the implementation of a deforestation-free production monitoring system.





CONSERVACIÓN Y CHOCOLATE

Organization:

Chocaguán

Country:

Colombia

Municipality:

Cartagena del Chairá

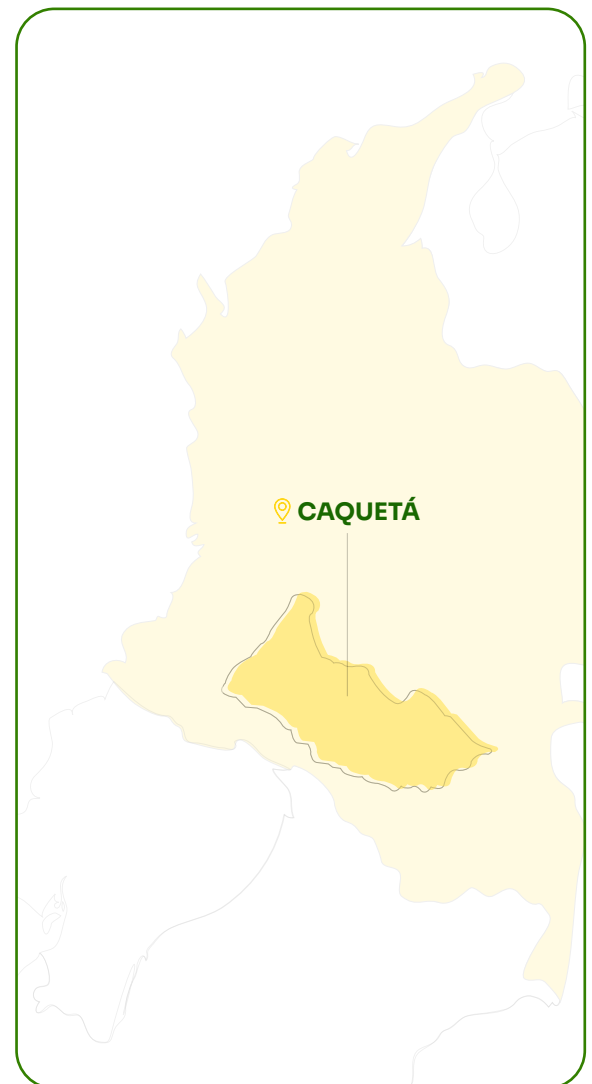
Contact:

jvargas@fondoaccion.org

THE INITIATIVE

Conservación y Chocolate is a project that is part of Chocaguán, an association of cocoa producers of Remolino del Caguán and Suncillas, created in 1994. Conservación y Chocolate produces, annually, 550kg/ha to be commercialized, in the main forms of dried beans and table chocolate. Through this production, the project aims to:

- Recover 50 hectares of hybrid cocoa and implement 100 new hectares of agroforestry cocoa by articulating native species of the Amazon region with good agricultural practices (BPA) and with an organic management approach;
- Strengthen the families' sustainable production capacity;
- Consolidate the cultivation of cocoa based on agroforestry systems as an environmentally friendly productive option and substitute for coca leaf crops;
- Improve the table chocolate formula to expand its market;
- Explore market niches given the quality of cocoa.



Related to its governance, the project has a defined operational structure, and to ensure legitimacy, assemblies are held (general associates and managers) usually with quorum and high participation by partners.

MAIN POSITIVE IMPACTS OF THE PROJECT

ENVIRONMENTAL

- ✓ Mitigate deforestation in communal hubs 1 and 2 of the Remolino del Caguán inspection, Cartagena del Chaira municipality, Caquetá
- ✓ Protection of biodiversity, water resources and soil resources.

SOCIAL

- ✓ Improve the quality of life of the families benefiting from the project.

ECONOMIC

- ✓ Increase the purchasing power of producing families to meet their basic needs, through the generation of a continuous cash flow for producers.

THE RISKS OF THE PROJECT AND HOW TO MITIGATE THEM

- Risks associated with delays in the stocking and processing in the plant (such as: winters that affect the collection schedules and access ways; electrical energy that is limited and restricted; obsolete and damaged equipment, by changes in voltages, improper use of the equipment.

HOW TO MITIGATE

Mitigated by maintenance, prevention and cultivation plans and schedules, and good practices. As well as with capacity building for community members.

- Risks associated with quantity and production: climate conditions (winters or prolonged droughts).

HOW TO MITIGATE

Mitigated with adequate planting, maintenance, monitoring and permanent technical assistance plans.

- Risks associated with insufficient cash flow for the purchase of materials to produce table chocolate and insufficient economic resources by the organization to buy crops.

HOW TO MITIGATE

Some strategies identified were: establishing a sales policy and strategy; improving the selection of cocoa that is purchased to reduce the use of sugar and others additions; designing property intervention plans for farms that serve as an full productive unit; planning production that is oriented towards market needs and establishing commercial alliances that guarantee the purchase at a fair price; standardizing the table chocolate formula.

- Risks associated with brand and prestige because quality and volumes are not always guaranteed.

HOW TO MITIGATE

Mitigated by strengthening capacities in harvest and post-harvest practices, production plans, monitoring, adequate equipment.



ACAMAFRUIT

Organization:

Acamafruit

Country:

Colombia

Municipalities:

San Vicente del Caguan, El Doncello-Paujil, Puerto Rico, Montañita, Valparaíso, Belén, Florencia, Currillo, Solita, Solano, Cartagena del Chaira, San José del Fragua

Contact:

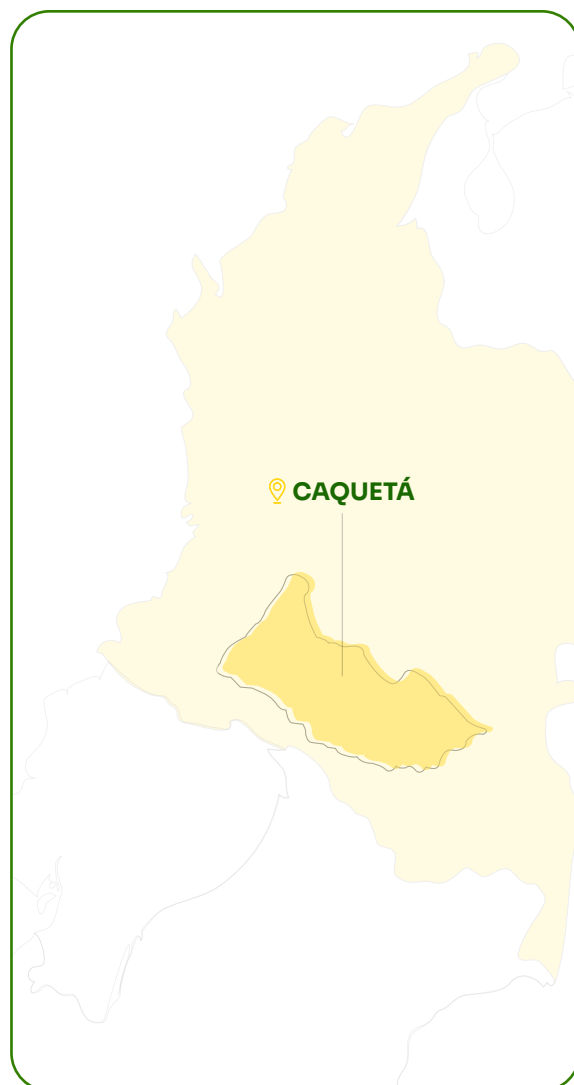
acamafruit@gmail.com

THE INITIATIVE

The Asociación Departamental de Productores de Cacao y Especies Maderables del Caqueta (Acamafruit) is a non-profit organization that aims to strengthen the productive chain in the region of Caquetá, through the productive improvement of agroforestry systems with cacao as a strategy for ecological restoration.

The project began in December 2019, with the establishment of 600 new hectares of cocoa planted according to agroforestry systems as a strategy of ecological restoration and productive support of 800 hectares of cocoa, through fertilization plans, application of amendments, technical assistance, and comprehensive management of cocoa production. The project works with a consensus-based governance model, and has a Board of Directors, Executive Management.

Today, the project produces, annually, 48kg/ha of cocoa in a SAF model, to be commercialized, in the main form of dried beans – but with a projection to grow production up to 4635 tons in the next 5 years.



MAIN POSITIVE IMPACTS OF THE PROJECT

ENVIRONMENTAL

- ✓ Recovery of degraded soils, productive niches around cocoa trees accompanied by a process of biodiversity rehabilitation in deforested agricultural landscapes.
- ✓ 1400 hectares of planted cocoa under agroforestry systems, with native species that allow ecological restoration.
- ✓ Establishment of vegetation cover, carbon capture and storage.
- ✓ Maintenance and improvement of water quantity and quality
- ✓ Protection of biodiversity, water resources and soil resources.

SOCIAL

- ✓ Reduction of production risks due to the diversification of the species per unit area; generation of more permanent employment; increased food security; and decreased unit production costs.
- ✓ Employment generation for rural women by incorporating added value to the product.

ECONOMIC

- ✓ Increased productivity of cocoa farming families, increased income generation for 1,400 producers linked to the projects.

THE RISKS OF THE PROJECT AND HOW TO MITIGATE THEM

- Climate change, price falls, lack of technical assistance

HOW TO MITIGATE

Mitigated by identifying a strategic partner that supports the project with monetary investment and contributes to improving the capacities of families benefited by the project.

05



AMAZON ORIGIN
SUSTAINABLE
COCOA: **MARKETING
AND POSITIONING
OPPORTUNITIES**

The “special cocoa” popularity is growing, just like the demand for high-quality products, single-origin and single-estate. With more access to information, end consumers are not only increasingly interested in the organoleptic properties and flavor profiles of their chocolate, but also about **everything regarding its origin.**

This “push” encourages multinationals to find new ways to level up their influence, participation and differentiation in the market. This influences positively not only the bean-to-bar market, but also the bulk and mainstream - that are still important for the segment due to the high productivity, but they are being demanded to work according to sustainability and good impact actions and programs.

Amazon, by itself, is already a brand – even though it has a bunch of problematics. But we have, in our own hands, **a great opportunity to create a new economic logic** for a region that is not limited and recognized by cattle and soy. Amazon cocoa is integrated into the forest and has a great potential of helping her become a bioeconomy tool.

For so, it's required to communicate it in a way of creating a quality, positive impact and sustainability perception around Amazon Cocoa. **But how can we do it?**





Tetiana Bykovets/Unsplash

Unique Selling Points

- Adding value to the product by exploring its organoleptic and sensorial properties from your region and/or farm – that will make your product more attractive to national and international buyers, especially the ones interested in unique and high quality cocoa;
- Get to know the genetic properties of cocoa trees, which are responsible for the distinction of a unique flavor profile. There are multiple search projects related to cocoa germplasm mapping and biodiversity conservation;
- Subscribe yourself in industry awards and recognitions, such as International Cocoa Awards (ICA) from Cocoa Excellence, Concurso Nacional de Qualidade do Cacau Especial, Cacau de Tomé-Açu (Brazil). This can be an interesting way to add value to your product and consolidate yourself as a fine cocoa producer;
- Develop your storytelling: think about the technical and emotional attributes that can stand you out from your competitors. Transparency, traceability, origin, flavor profile, certifications, healthiness and the humanization of the process are good factors examples that are capable of giving the buyers and companies a storytelling with appealing claims that will be passed to the final consumer;



But, always be aware of ensuring that you are able to maintain these attributes that will be disclosed;

- Use social media to your advantage: with good quality photos of plantation, producers and their families, social media can be a great space for you to tell the history and mission of the farm and/or cooperative you're part of;
- Negotiate with buyers the possibility of developing special and/or limited editions with amazon cocoa. This allows you to work not only in the bean-to-bar sector, but also with large corporations taking the “Amazon Cocoa” to the market in a more compelling way;
- Be aware of market trends: vegan editions, healthiness, different formats (i.e. cocoa nibs), addition of natural ingredients such as fruits, vegetables or nuts to create new flavor profiles and sum up their health properties to the chocolate;
- Explore the possibility of obtaining legally protected geographical indications (GIs) for specific cocoa varieties. That can become an important claim for your storytelling - you can find more information on World Intellectual Property Organization (WIPO);
- Consider developing and implement your own Corporate Social Responsibility (CSR) policy or conduct code - not always it will be required by the buyers, but it can be a great tool of showing your vision about social and environmental responsibility and stand you out from your competitors;
- Find buyers that match your business ethics and make sure you have your expectations and demands aligned. For instance: samples sending, cadmium laboratory analysis, production quantities, packaging, labelling and accompanying documentation;
- Read about cadmium mitigation alternatives in World Cocoa Foundation website and get yourself familiar with the samples methodology and analysis for an official control of cadmium and other heavy metals for help you ensure compliance;

06



Nancy Ydrogo Coral

AMAZON ORIGIN
COCOA INITIATIVE:
**COLLABORATIVE
AGREEMENT TO THE
OPPORTUNITIES**

Over the course of the regional dialogues, **TFA convened more than 100 actors between governments, CSO, academia and the private sector**, and has worked with partners to guarantee exchanges about the key gaps raised, such as monitoring and traceability tools, and market opportunities. The Amazon Origin Cocoa Initiative will build the next phases focused on:

PROMOTING PUBLIC-PRIVATE DIALOGUES AND REGIONAL EXCHANGES

It includes, among other key recommendations: inclusive dialogues on Amazon Origin Cocoa production, and brings together key stakeholders, including representatives of Latin America countries, the industry and civil society organisations. The objective of the TFA multi-stakeholder dialogues is to create the space to share and build progress in zero deforestation cocoa supply chains, enhance the protection and restorations of forests in cocoa-producing regions, and ensure positive impact to local farmers.

TFA drives multistakeholder collaboration on priority jurisdictions builds greater alignment on monitoring and reporting frameworks
More Information - **Jurisdictional Approaches Resource Hub**

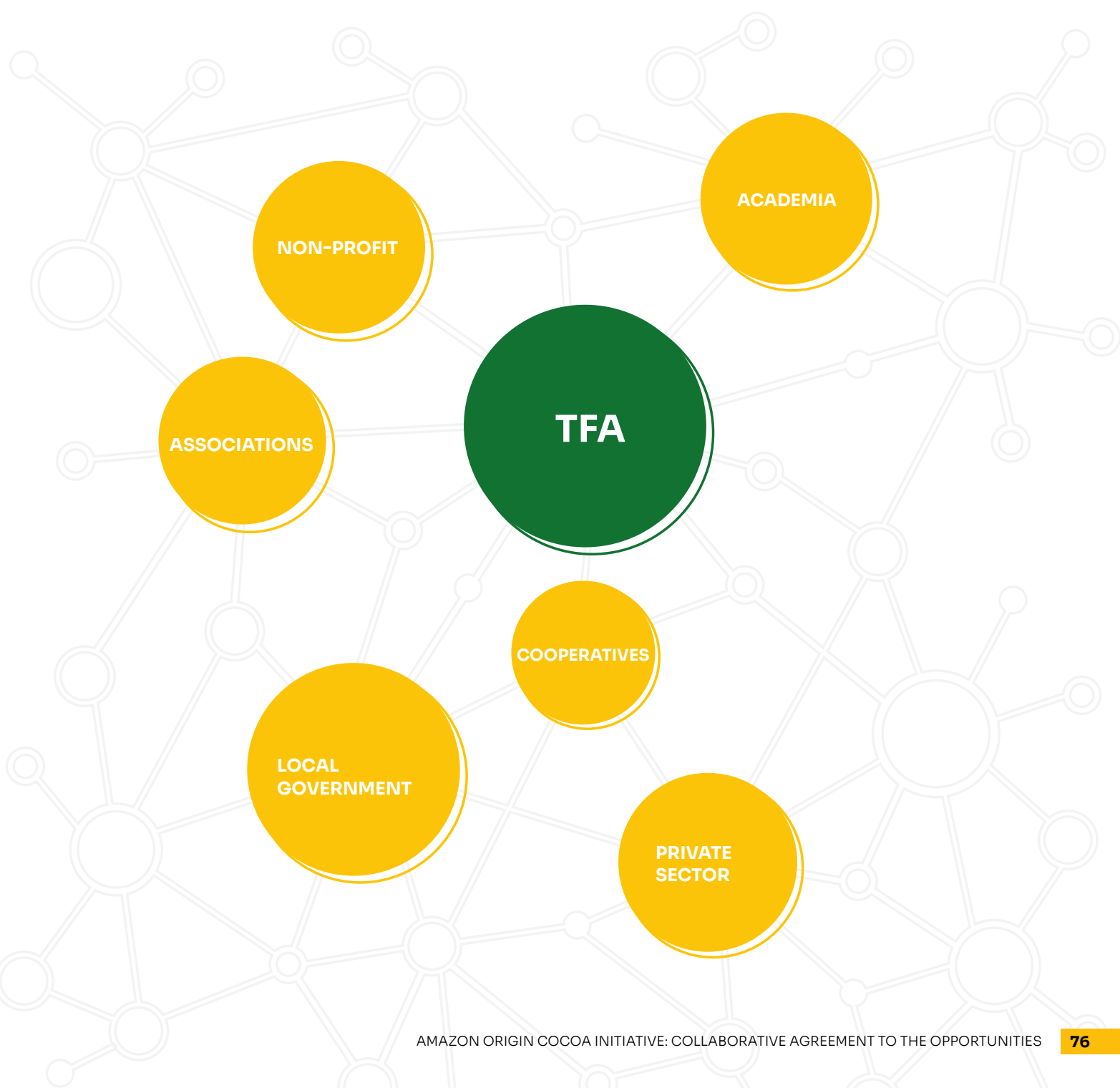
CONNECTION WITH JURISDICTIONAL STRATEGIES

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See Publication: **Deforestation-free in Tocache: Analysis of promising experiences.**

UNLEASH INVESTMENTS AND CONNECT TO PRIVATE SECTOR AGENDAS

It includes, among other key recommendations: inclusive dialogues on Amazon Origin Cocoa production, and brings together key stakeholders, including representatives of Latin America countries, the industry and civil society organisations.. The objective of the TFA multi-stakeholder dialogues is to create the space to share and build progress in zero deforestation cocoa supply chains, enhance the protection and restorations of forests in cocoa-producing regions, and ensure positive impact to local farmers.





TROPICAL FOREST ALLIANCE



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