

# The fast read:

## Improving livelihoods for farmers and their communities

Our ambition is to accelerate progress towards a transparent global cocoa supply chain, enable farmers and their communities to achieve better incomes and living standards, and deliver a sustainable supply of cocoa and chocolate products.





# About the Cargill Cocoa Promise evolution

Our ambition really comes alive through our Cargill Cocoa Promise. This report focuses on the progress we have made this year in improving incomes and living standards, or as we call them, livelihoods, for cocoa farmers and those people living in cocoa farming communities.

**“We have advanced our way of thinking and reporting. It’s not only about reaching the farmer anymore, we are committed to improving livelihoods. Capturing the results of our effort is key.”**

**Harold Poelma**  
President  
Cargill Cocoa & Chocolate

## Improving livelihoods and measuring outcomes

We have been committed to sustainability for a long time and launched the Cargill Cocoa Promise in 2012, to unify and expand our sustainability activities. Since its launch, we have progressed a lot, but this year we have also evolved the way we deliver the Cargill Cocoa Promise and measure its impact. We have extended its scope and reach, bringing more farmers, families and cocoa communities into our programs. Even more importantly, we have sharpened the focus of these programs so that we contribute directly or indirectly towards one, overall objective: improved livelihoods for farmers and their communities. To make this more tangible, we have set 2020 goals in the areas of farmer and community livelihoods.

## The thinking behind this evolution

Why is this evolution so important? Focusing on real results demonstrates to farmers that we mean business when we say we want to support them in improving their livelihoods, because they know our programs prioritize their needs. For our customers, it makes it easier to measure the true return on investment our programs deliver for them. And for NGOs, governments and other organizations we partner with to design and run our programs, it clearly demonstrates the longer-term results we are aiming to achieve and how we intend to get there.

The training, support and resources we give to farmers enable them to run their farms more profitably and productively, in ways that also protect the natural environment. The investments we make in improving livelihoods in cocoa communities ultimately strengthen households’ capacity too. To give just one example, they empower women to become income generators and agents for sustainable development themselves, by running their own farms, working in farmer cooperatives, or starting their own businesses.

Our integrated approach is already delivering measurable improvements in farm productivity. We know this now, because our measurement metrics tell us. We explain more about how our inherently sustainable approach works throughout our 2015 reporting.

About the Cargill Cocoa Promise evolution continued

The Cargill Cocoa Promise, launched in 2012, is our commitment to improve the livelihoods of farmers and their communities in ways that enable them to deliver more cocoa in the long term and secure a thriving cocoa sector for generations to come. It makes a real and lasting difference across our five origin countries.

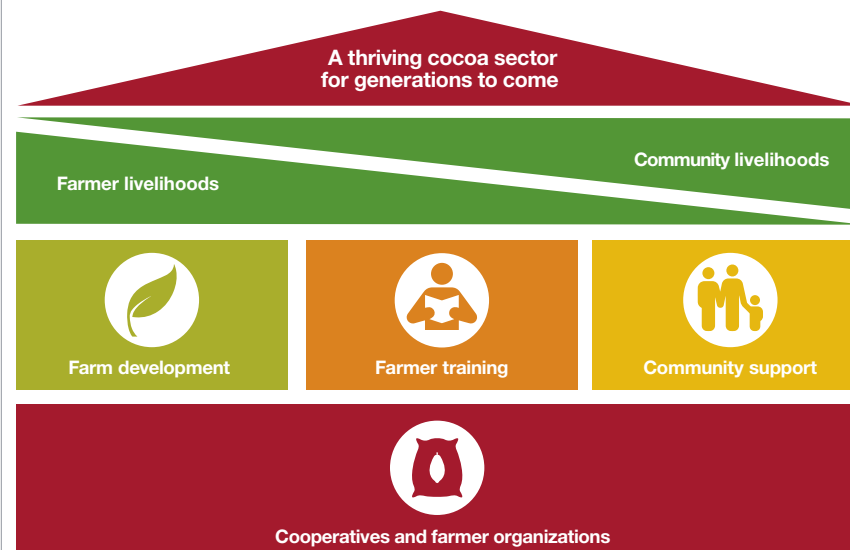


“Only when farmers take their destiny in their own hands will we have a truly sustainable cocoa sector.”

**Lionel Soulard**  
Cargill West Africa Managing Director  
Cargill Cocoa & Chocolate

At the heart of the Cargill Cocoa Promise, are our partnerships with empowered farmer organizations. Through them, we are able to implement the many different farmer training, farm development and community support programs, which help to improve farmer livelihoods and community livelihoods.

This diagram shows how it all fits together:



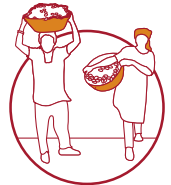
**Making progress through partnerships**

The power of partnerships is vital to progress the Cargill Cocoa Promise, and this is why we value them so highly. Our partners include farmer cooperatives, development agencies, our customers and suppliers, financial institutions, and national governments. We work with each of them in unique ways, but always to achieve mutual benefit and move our programs forward, to the point where ultimately, they become self-sustaining.

Some of our most essential and closest partnerships are with farmer organizations. Together with them we evolve long-term solutions that help them do more for farmers.

We also work together with many other agencies. Their expertise is often vital in enabling us to share knowledge with farmers. Governments are our long-standing partners too. We ensure that the Cargill Cocoa Promise aligns with their national strategies and policies.

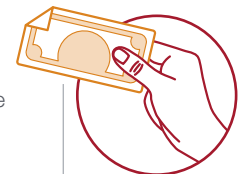
**The principles of our Cargill Cocoa Promise**



1. Work closely with farmers' organizations



2. Leverage efforts (of Cargill Cocoa Promise) through public and private partnerships



3. Aim for farmers and communities to become self-sufficient



4. Measure the impact of our work

## About the Cargill Cocoa Promise evolution continued

### Enabling farmers to achieve a living income

This year we have evolved the Cargill Cocoa Promise. Without doubt, our biggest evolutionary step is the shift to a more holistic approach that stresses ways to improve the profitability of farmers' businesses, rather than simply on ways to support increases to their cocoa yields. Meanwhile we have set ourselves clear goals in the respective areas.

### Measuring results for farmers and their communities

By working even more closely with farmers and farmer organizations, we are building the trust and access to information that we need to measure the results of our programs – the positive differences they make – and not only their reach in terms of levels of participation or involvement. Measuring program performance this way, using GPS mapping and other innovative tools, has huge potential. It allows us to understand what works and what does not work, then evolve our programs in response.

### Empowering women

Based on what we have learnt on the ground since we launched the Cargill Cocoa Promise, we have introduced initiatives this year, designed to help women in farming communities to become income generators and community leaders in their own right.

Empowering women in this way brings many direct and indirect benefits. Whether they work as farmers, in other trades, or as business owners, women can make a bigger financial contribution to their families; and because women generally manage household and family matters, they can afford to pay their children's school fees and buy more nutritious food for the family table. So, empowering women becomes a powerful tool to improve household livelihoods and tackle child protection and malnutrition issues.

### Accelerating transparency in our supply chain

Consumers are becoming increasingly interested in the provenance of their food, so consequently our customers want to know where the products they buy come from and how they are sourced. They measure the value of their investments in sustainability in terms of top line growth or bottom line results. We want to do more to demonstrate to them that our sustainability programs contribute to both.

In fact, transparency is a fundamental principle we always adhere to. Sharing information about our approach and the returns on investment that our programs achieve for customers, comes naturally to us. Our commitment to independent certification standards further enhances our transparency.



# 2015 highlights



## Working with farmer organizations in 2015

Cargill believes that professional and business-oriented farmer organizations should take responsibility for management of sustainability programs, supporting the implementation by their farmers and in their communities.

### Progress highlights

Reach and adoption:

**320**

leaders from 80 cooperatives have completed or are currently enrolled in our Coop Academy

**US\$16 million**

was paid to farmers and farmer organizations in 2015 as premiums through their participation in sustainability

Achievement:

Our vehicle finance scheme in Côte d'Ivoire was awarded the FIE Innovation Award as the "Sustainability Initiative of the Year 2015"

## Improving farmer livelihoods in 2015

Participating in the Cargill Cocoa Promise will result in farmers becoming empowered entrepreneurs who manage professional and responsible farms that generate a living income or beyond. Farmers reach maximum profitability of their cocoa farms, by optimizing cocoa production and using inputs cost efficiently, while protecting the environment.

### Progress highlights

Reach and adoption:

**90,000**

farmers attended our Farmer Field Schools in 2015

**>30,000**

farmers have enough expert knowledge to correctly use fertilizer

Results:

**23%**

average yield improvement achieved by farmers through applying better crop protection, which has led to net income increase of US\$194, ROI of 430%

## Improving community livelihoods in 2015

To help create thriving communities that are armed with the social services, related to education, health and nutrition. Also, community members are united to protect children from child labor and to empower women, to strengthen and build a thriving community.

### Progress highlights

Reach and adoption:

**90,000**

farmers trained or currently training to understand the worst forms of child labor – ahead of our 2016 target

**2,500**

people benefiting from access to finance through VSLAs. Over half are women

Results:

**97%**

of the children we reach stay in school for at least five years in Ghana