Does the Cargill Cocoa Promise really work for farmers and their communities?

It is a sensible question to ask, because if a sustainable program does not benefit those it is meant to, then why continue to implement it? We want more evidence about the effectiveness of our sustainability programs. Finding reliable and cost-effective methods to ensure the impact of programs on the ground, or in our case, out in the fields, has become our top priority.

Does the Cargill Cocoa Promise really work for farmers and their communities? continued

Measuring results – how can we do it?

To put the fundamental premise of the Cargill Cocoa Promise to the test, we went back to our initial principles. We revisited and reaffirmed our Theory of Change – essentially a comprehensive description of why and how change happens. We examined our activities and interventions through the Cargill Cocoa Promise, and how these contribute to the achievement of our long-term goals. We concluded that our Theory of Change is still valid – it sets out our desired goals and tracks back from these, identifying all the interventions and outputs that are required for our goal – a thriving cocoa sector – to be achieved.

To ensure a thriving cocoa sector for generations to come, improvements are needed to Farmer and Community Livelihoods in an integrated manner. We will contribute by professionalizing cooperatives and supporting them in achieving progress in farmer training, farm development and community support.

"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

How Cargill believes the Cocoa Promise contributes to positive and long-lasting change

Our long-term goal is to contribute to making the cocoa sector *thrive* for cocoa farmers and their communities.

To make this happen, improvements are needed to farmer livelihoods, community livelihoods, and broader landscape areas.

We will contribute by empowering farmer organizations and supporting them in achieving progress in farmer training, farm development and community support.

Working closely with our stakeholders and partners is crucial to succeeding in our sustainability strategy.

Our Theory of Change is a continuous improvement and learning process, facilitated through a strong approach to Monitoring and Evaluation

Does the Cargill Cocoa Promise really work for farmers and their communities? continued

Putting theory into practice – how does it work?

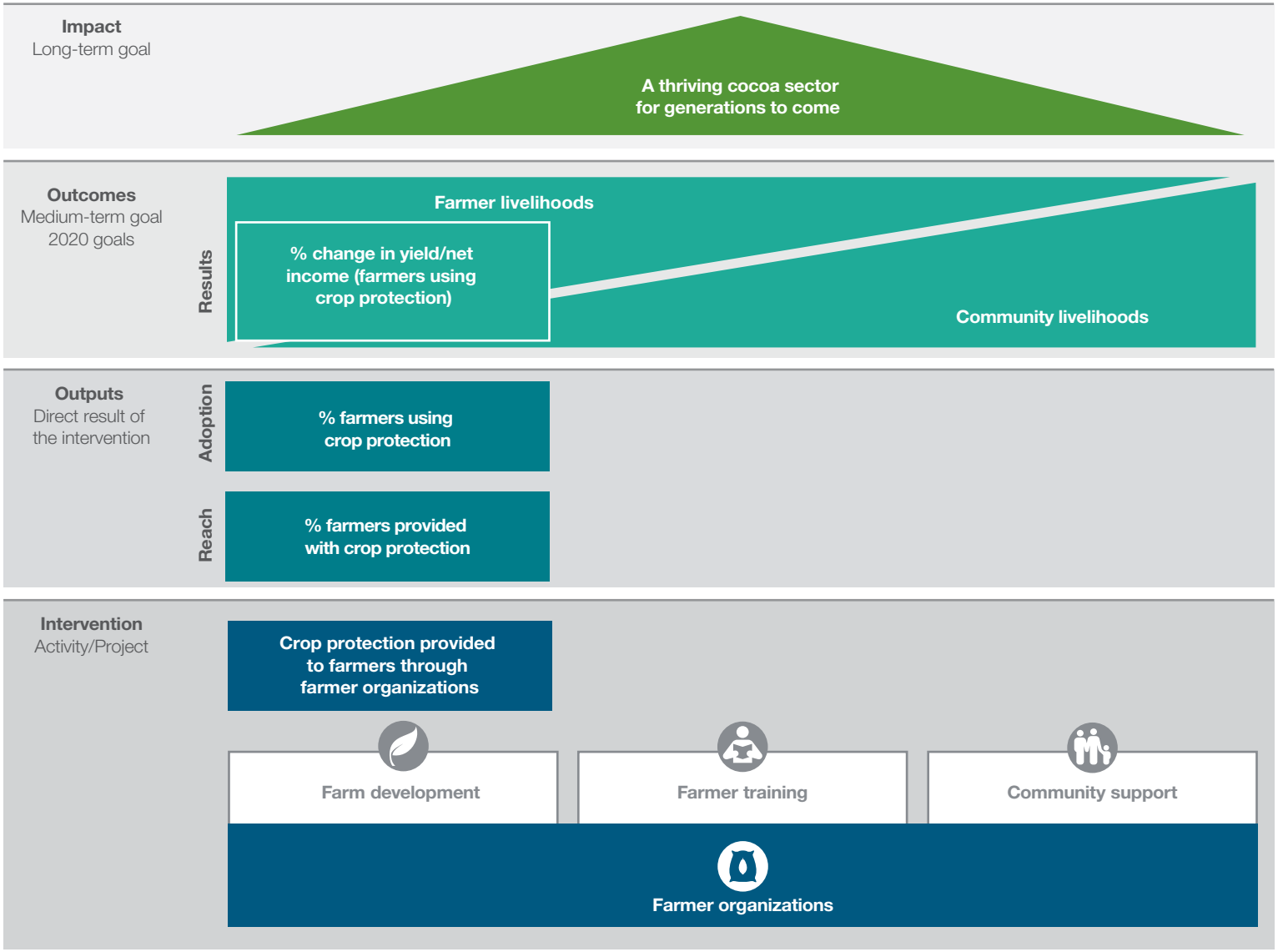
We have applied our Theory of Change to help us develop a Results Framework, which we can use to identify the types of interventions that will collectively deliver results (or outcomes) that support our medium-term goals – better Farmer Livelihoods and Community Livelihoods. This approach helps us better understand the precise links between activities and achievement, but also to measure and report progress over time. Consequently, we can plan more effectively, because we actually understand why and how particular actions contribute to specific results.

Breaking the theory down into a sequence of practical steps means we can implement it across our programs. We can assess our progress towards our goals and also capture knowledge to continuously improve program performance.

We have introduced new ways of measuring our progress: not only their reach and adoption but also the positive results they deliver. We have a consistent methodology – set out in our Monitoring and Evaluation system.

Our Monitoring and Evaluation system fully adheres to current Côte d'Ivoire privacy legislation. Cargill is the first and only company in the country to receive official authorization from the Côte d'Ivoire authorities.

Results Framework: showing an example of one activity



Does the Cargill Cocoa Promise really work for farmers and their communities? continued

Continuous improvement – is it really possible?

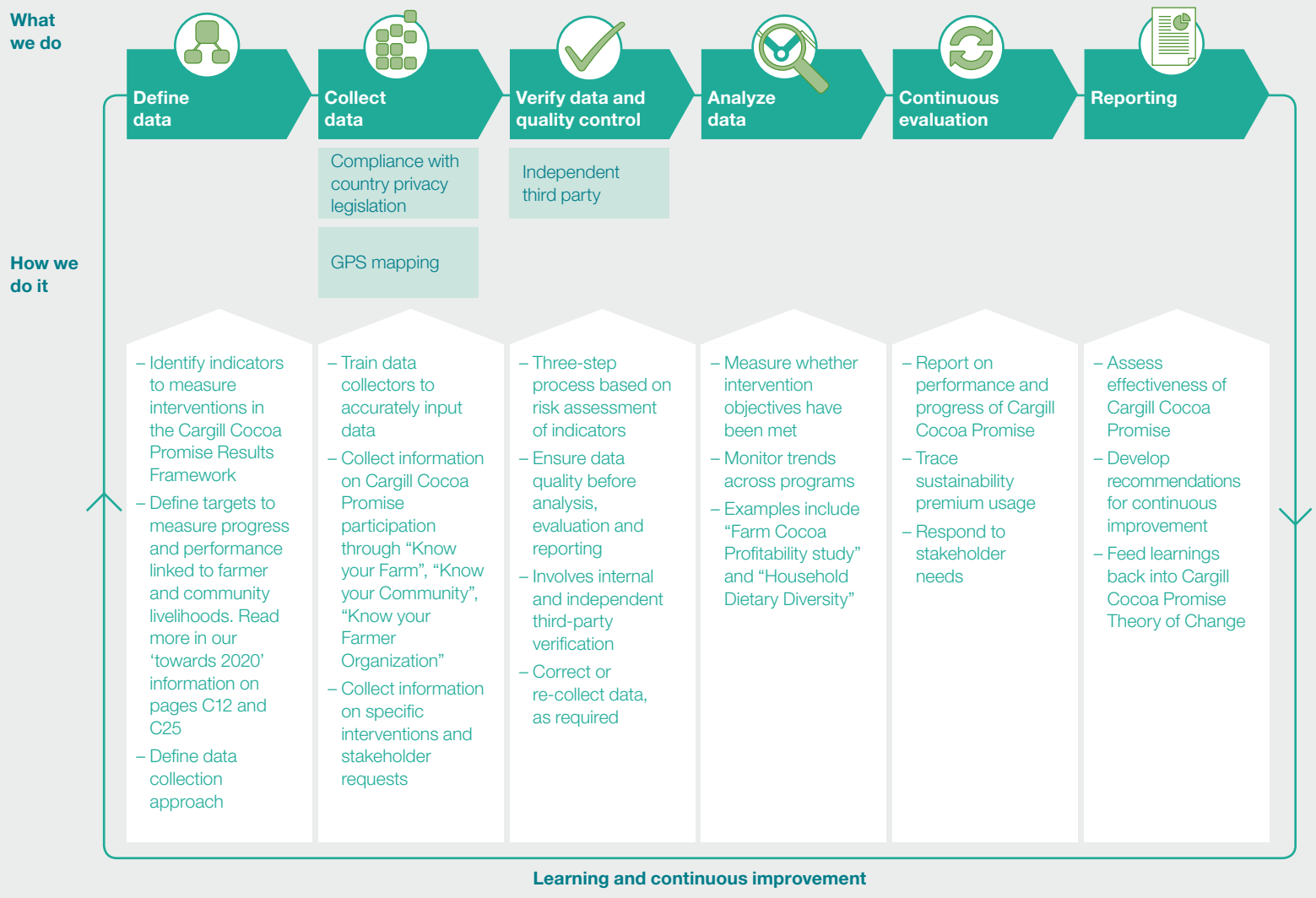
Now that we have more accurate data and defined our goals more sharply, we can apply our learning. We can focus on designing and developing the most effective programs and continuously refine our sustainability strategy. We are investing in finding better ways of measuring results and one of the most exciting projects is using digital technology as a key tool.

Measuring outcomes – what comes next?

We will continue to gather more detailed information about a greater number of farmers and communities. At the same time, we will try to help our local partners – for example, coaches and farmer cooperatives – become better information providers too, specifically through our Know your Farm and Farmer program. Their information will sharpen our understanding of what is working and what is not working for farmers. We will also work with research partners to enrich our knowledge and gain further insights.

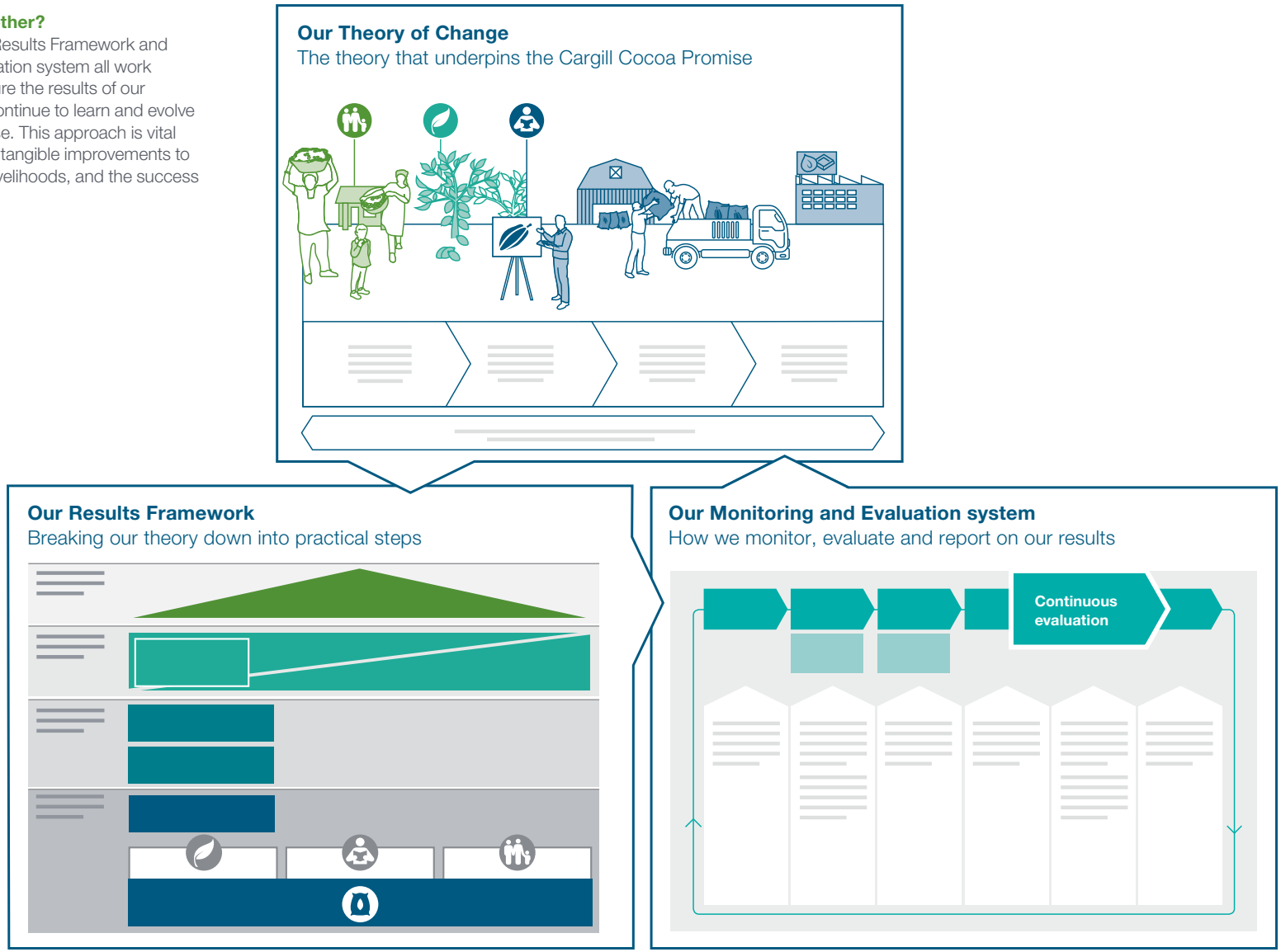
As a partner in CocoaAction, we are contributing to the development of an industry-wide CocoaAction Results Framework. You can read more about CocoaAction on page B05.

How Cargill measures, evaluates and reports on its impact



Does the Cargill Cocoa Promise really work for farmers and their communities? continued

How does it all fit together?
Our Theory of Change, Results Framework and Measurement and Evaluation system all work together to help us capture the results of our efforts, and ensure we continue to learn and evolve our Cargill Cocoa Promise. This approach is vital to ensure that we deliver tangible improvements to farmer and community livelihoods, and the success of our business.



Does the Cargill Cocoa Promise really work for farmers and their communities? continued

Information gathering – using technology

Technology, including GPS mapping, has great potential as a way to gather data accurately and rapidly, particularly in remote rural environments. In Côte d'Ivoire, Indonesia and Ghana, we have started an ambitious project to survey all the cocoa farmers we trade with using GPS.

What have we achieved so far? Focusing on 23,000 farms this year, chosen mainly through our farmer organizations, we have gathered more detailed data than ever before, including the location, size, and footprint of each farm surveyed, the type and age of trees grown, the cultivation methods used, the choices made about fertilizers, replanting activities, the use or not of shade trees, along with a wealth of information about farming families and communities.

GPS mapping of smallholder cocoa farmers is not an easy task. Farms can be remotely located at long distances from each other and the weather can have a negative influence on local road conditions and GPS signals. Nevertheless, we have now mapped 23,000 farms: 15,000 in Côte d'Ivoire, 5,000 in Ghana, 3,000 in Indonesia. 45,000 will be done next year.

In addition to our GPS mapping work, we also gather data in other, more conventional ways. We carry out face-to-face surveys of farmers and their farms, gather information through farmer organizations, and also the ground assessments of conditions in cocoa farmer communities. These data gathering activities are frequently audited by our own internal experts and by external specialists to ensure their accuracy.

What have we learned so far? Our top-line conclusion is that in Côte d'Ivoire around more than half of the farms we trade with have the potential to make a living income through sustainable cocoa farming.

Mapping and surveys will also improve our understanding of the specific challenges that other farms face, so we can offer them bespoke support. What surprised us is that farmers often do not have accurate data about their farm size.

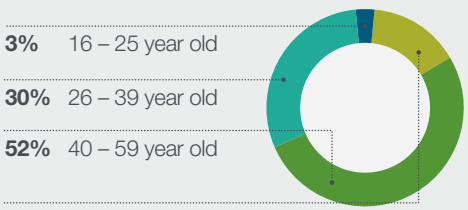
Knowing the farmers we work with

We have worked hard to understand more about our farmers. We have discovered that they are a very diverse group, spanning a wide age range, including women and men, some with few dependants and others with many. Our "typical" farmer is a man, in his mid-forties, farming about 3.5 hectares of cocoa comprising one or two plots. He supports a household of seven or eight people. In fact, the vast majority, some 98.5%, of our registered farm owners are men, although much of the work on their farms is done by women. We also know that around 23% of our farmers grow other crops as well as cocoa, and around 85% of them own mobile phones.

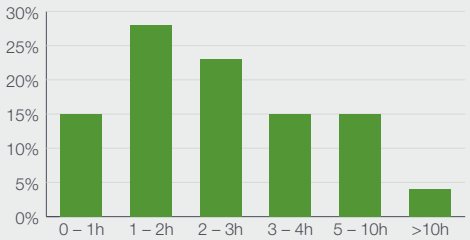
"We started collecting data for four reasons. Firstly, for our sustainability program it is important to demonstrate with hard evidence that our programs are achieving results. Secondly, sharing this data with farmers and farm organizations allows them to better plan and target their activities to improve cocoa profitability. Further, we want to show our customers how we are helping them deliver their sustainability strategies. Finally, within CocoaAction we can show our contribution to the industry's efforts."

Blandine Konan
M&E West Africa Lead
Cargill Cocoa & Chocolate

Farmer age distribution

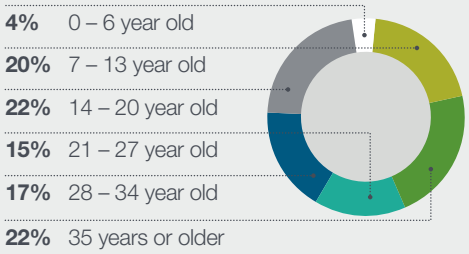


Cocoa farm size distribution



GPS mapping and other surveys show that our average farmer in Côte d'Ivoire farms around 3.5 hectares, although this graph shows that there is great variation across the whole farmer population.

Cocoa farm age distribution



22.5
is the average number of years a farm has been under cultivation

33%
of farmers use some form of fertilizer

42%
of farmers intercrop their cocoa plantations with coffee, rubber or food crops

72%
of farmers apply crop protection