

Decolonising chocolate

Business-as-usual chocolate is wrapped up in child labour, poorly paid farmers, and unjust global distribution of profits. JASMINE OWENS spotlights brands challenging the status quo.

Europe's guilty pleasure

The majority of the world's cocoa is grown by small farmers in West Africa, where it's the source of livelihood for millions of people. But cocoa farmers receive barely any of the chocolate industry's \$100 billion revenue: estimates range between 6% and 11%.

Few farmers can afford chocolate and many have never tasted it, with over half of Ivory Coast's cocoa farmers living below the global poverty line, and their countries taste virtually none of the industry's profits either.

After cocoa beans are harvested (64% of the world's beans are grown in Africa, 15% in South America and 13% in Asia), the majority are exported to international companies for the most profitable production stages: processing, packaging and retail.

If the beans were distributed equally worldwide, Europe would get 9%, but instead we import an astronomical 50% of the world's cocoa.

After manufacture, most of the world's ready-to-eat chocolate (75%) is exported by Europe, though much of this is European countries selling to their neighbours.

Europe eats more chocolate than anywhere else, eating between 45%–55% of the world's supply, followed by the US at 18%.

Europe therefore eats the most chocolate and the most profit ... despite the fact you can't even grow cocoa here.

Chocolate's colonial origins

Europeans had no concept of chocolate before the colonial period.

Cocoa originally grew in South America, where it was consumed as a bitter drink for thousands of years. European colonisers added sugar to it, and it was first made into a solid in Britain in the middle of the nineteenth century.

When European powers started losing imperial holds on cocoa-producing areas like Brazil, Ecuador and Venezuela, they pushed for production to expand into Africa instead, which had a good cocoa-growing climate, even though it's not an indigenous crop, and lots of cheap labour.

Cocoa farmers receive barely any of the chocolate industry's \$100 billion revenue: estimates range between 6% and 11%

A fully referenced version of this Shopping Guide is on our website

Q&A WITH A COCOA COLONIALISM EXPERT

DR MICHAEL EHIS ODIJIE, research fellow at University College London, is an expert in African studies and has published on child labour and sustainability schemes in the cocoa industry.

Why does Africa receive so little profit from the chocolate industry, despite growing the most cocoa?

The short answer to this is history. Cocoa beans were introduced and promoted in West Africa during the colonial era. The general pattern of the colonial economic system required the colonies to cultivate raw materials and then export them to Europe for manufacturing or processing. Once this pattern was established, it became difficult to change. African companies couldn't compete with the multinational processing and chocolate manufacturing companies set up in the developed world.

We saw Ivory Coast and Ghana boycotted a global chocolate meeting last year. Were they protesting how the industry operates?

Last year the Ghanaian and Ivory Coast government institutions responsible for cocoa (COCOBOD and the Coffee and Cocoa Council respectively) boycotted the World Cocoa Foundation's annual partnership meeting. The Foundation is essentially controlled and funded by multinational chocolate manufacturers and often seen as mere rubber-stamping where multinationals verbally support sustainability but take little concrete action.

The boycott arises from a longstanding issue: cocoa farmers are not paid enough, often not even covering the cost of production, while chocolate producers post billions in profit annually. Farmers suffer the main costs of production, both ecological like deforestation and social like child labour and slavery.

Ghana and Ivory Coast have become increasingly active in negotiating better terms. They introduced a Living Income Differential (LID), a form of premium to help pay farmers more, and are taking a more active approach to 'The origin differential,' an additional premium paid for cocoa from a particular country. The



Dr Michael Ehis Odijie.

●● Cocoa farmers are not paid enough, often not even covering the cost of production, while chocolate producers post billions in profit annually ●●

boycott is an attempt to protest the refusal of multinationals to pay these premiums.

Is there any 'decolonised' chocolate?

Perhaps the most promising option is to support local African brands. Buying directly from Africa simplifies the extraction of surplus from one end of the production chain, and the payment of a fair price for cocoa at the other.

Another option is, for example, European chocolate company Fairafric, a German-Ghanaian business producing chocolate entirely made in West Africa, primarily sold in European food stores. The local production of the entire chocolate bar creates more value and income per ton for the country. Unlike massive multinationals, Fairafric can trace the source of its cocoa and pays farmers more. It's embraced the concept of "decolonizing cocoa," a phrase that I believe is fitting.

Should Fairtrade be doing more?

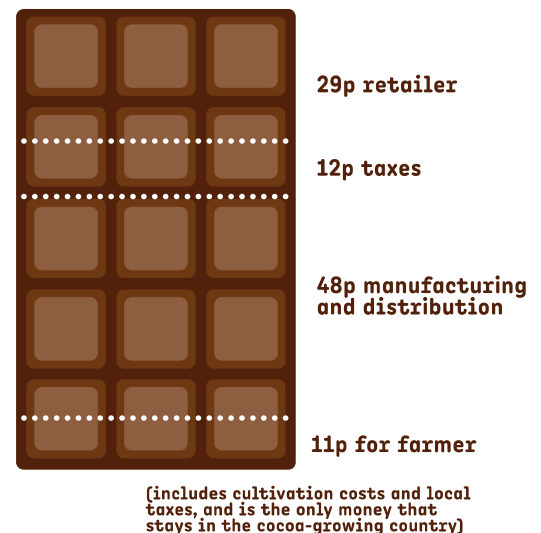
Seeking out chocolate brands that are Fairtrade certified or part of other ethical sourcing initiatives can help farmers receive fair compensation. However, some certified brands may be problematic, even if they're making an effort.

Fairtrade could go further by choosing to certify only chocolate produced in Africa using specific standards and engaging in profit-sharing with farmers. That way companies like Fairafric could capture a larger market share, paving the way for the establishment of other 'local companies' within the region.

You've said before that diversification away from cocoa could be better for farmers. Could this result in less chocolate in the world?

If African countries diversified and produced less cocoa, the UK could explore alternative sources for cocoa imports or other raw material to replace cocoa, or reach a point where it's willing to pay a fair price for cocoa. I'm not particularly concerned about what diversification in Africa would mean for Europe. It could lead to a shortage of chocolate, increase in prices, and other consequences. I usually try to write from the perspective of farmers and their communities, and I believe it can be somewhat dangerous to focus on what these changes would mean for Europe. ●

TYPICAL COST OF A £1 BAR OF MILK CHOCOLATE



SHOPPING GUIDE

Chocolate

USING THE TABLES

Ethicscore: the higher the score, the better the company. Scored out of 14. Plus up to 1 extra point for Company Ethos and up to 5 extra points for Product Sustainability.

Green (good) = 12+
Amber (average) = 11.5-5
Red (poor) = 4.5-0

● = worst rating
 ○ = middle rating
 = best rating/no criticisms found

Ethicscore (out of 14 + 6 extras)

Environment		Animals		People			Politics			+ve									
Environmental Reporting	Climate Change	Pollution & Toxics	Habitats & Resources	Palm Oil	Animal Testing	Factory Farming	Animal Rights	Human Rights	Workers' Rights	Supply Chain Management	Irresponsible Marketing	Arms & Military Supply	Controversial Technologies	Boycott Call	Political Activity	Anti-Social Finance	Tax Conduct	Company Ethos	Product Sustainability

Positive ratings (+ve)

Company Ethos:

★ = full mark ☆ = half mark

Product Sustainability:

Various positive marks available depending on sector.

Best Buys are highlighted in blue

Recommended Brands to avoid

BRAND	Ethicscore (out of 14 + 6 extras)	Environmental Reporting	Climate Change	Pollution & Toxics	Habitats & Resources	Palm Oil	Animal Testing	Factory Farming	Animal Rights	Human Rights	Workers' Rights	Supply Chain Management	Irresponsible Marketing	Arms & Military Supply	Controversial Technologies	Boycott Call	Political Activity	Anti-Social Finance	Tax Conduct	Company Ethos	Product Sustainability	COMPANY GROUP	
MonChoco [F,O,S]	17.5		○																	★	3	MonChoco	
Pacari [F,O,S]	17.5		○																		★	3	Productos Sksfarms Cia. Ltda
Fairafric [F,O,S]	16.5		○						●												★	3	Fairafric
Ombar [F,O]	16.5																				★	1.5	Mood Foods Ltd
Vego [O,F]	16.5		○																		★	2	VEGO Good Food GmbH
Moo Free organic [O,RA]	16		○																		★	1.5	Moo Free Ltd
Conscious [O]	15.5		○																		★	1	Adar Chocolates Limited
MIA [F,S]	15.5							○	○						○						★	2	Kuanza Ltd
Raw Chocolate Company [O]	15.5		○																		★	1	Adar Chocolates Limited
Vego [F]	15.5		○																		★	1	VEGO Good Food GmbH
Cocoa Loco [F,O]	15		●						●												★	2	Cocoa Loco Ltd, Payne Family
Moo Free [RA]	15		○																		★	0.5	Moo Free Ltd
Booja Booja [O]	14.5		○							○	○										★	1	The Booja Booja Company Ltd
Chocolat Madagascar [F,S]	14.5							●	●						○						★	2	rie Robert SA
Plamil [O]	14.5		○								○	○									★	1	Plamil Foods Ltd
'57 Chocolate [O,S]	14		●					●	●												★	2	'57 Chocolate
Plamil [RA]	14		○								○	○									★	0.5	Plamil Foods Ltd
Seed & Bean [F,O]	14		●					●		○	○										★	2	Organic Seed & Bean Co Ltd
Divine [F,O]	13.5	○	●					●	●												★	2	Ludwig Weinrich GmbH & Co. KG
Seed & Bean [O]	13		●					●		○	○										★	1	Organic Seed & Bean Co Ltd
Divine [F]	12.5	○	●					●	●												★	1	Ludwig Weinrich GmbH & Co. KG
LoveRaw	12	●	●							○	○										★		LoveRaw Limited
Tony's Chocolonely [F]	11.5	○	●				○	●	●						○						★	1	Verinvest/Tony's Factory B.V.
Montezuma's [O]	10	○	○	●				●	●	○					○							1	Revenge Holdings Ltd
HIP	9	○	○			●		●	●	○	○				○						☆		Love Cocoa Ltd
Love Cocoa	9	○	○			●		●	●	○	○				○						☆		Love Cocoa Ltd
Montezuma's	9	○	○	●				●	●	○					○								Revenge Holdings Ltd
Hotel Chocolat	8	○	●					●	●	○	○				○				○	○			Hotel Chocolat Group Plc
Lindt	6.5	○	●			○		●	●	○	○				○				○	○			Lindt & Sprüngli AG
Maltesers [F]	3	○	●	●	○	●	●	●	●	○	○	●			○		●	○	●			1	Mars Inc
Ferrero Rocher	2.5	○	●	○		●		●	●	○	●	●	○		○		●	●	●				Ferrero International SA
Galaxy Smooth Milk [RA]	2.5	○	●	●	○	●	●	●	●	○	○	●			○		●	○	●			0.5	Mars Inc
Kinder	2.5	○	●	○		●		●	●	○	●	●	○		○		●	●	●				Ferrero International SA
Thorntons	2.5	○	●	○		●		●	●	○	●	●	○		○		●	●	●				Ferrero International SA
Galaxy	2	○	●	●	○	●	●	●	●	○	○	●			○		●	○	●				Mars Inc
Green & Black's [F,O]	2	○	○	●	○	●	●	●	●	●	●	○			○	●	●	●	●			2	Mondelez International
Maltesers	2	○	●	●	○	●	●	●	●	○	○	●			○		●	○	●				Mars Inc
Mars	2	○	●	●	○	●	●	●	●	○	○	●			○		●	○	●				Mars Inc
Green & Black's [O]	1	○	○	●	○	●	●	●	●	●	●	○			○	●	●	●	●			1	Mondelez International
Kit Kat, Nestlé, Smarties [RA]	0.5	○	●	●	●	●	●	●	●	●	○	●			●	●	●	●	●			0.5	Nestlé SA
Cadbury, Milka, Toblerone	0	○	○	●	○	●	●	●	●	●	●	○			○	●	●	●	●				Mondelez International

WHAT TO BUY?

- **Is the chocolate value-added-at-source (marked S on our table)?** This means chocolate which was manufactured in the same country where the cocoa beans were grown. It directly challenges Europe's stronghold on chocolate industry profits.
- **Is its cocoa Fairtrade International or Rainforest Alliance certified?** These certifications make it more likely farmers will receive above poverty wages.

WHAT NOT TO BUY?

- **Is it owned by a mega multinational?** Multinationals dominate this lucrative industry and their own-brand sustainability schemes are generally unfit for purpose.

NON-BAR CHOCOLATE

Our Best Buys also sell:

- **Buttons:** Conscious, Ombar, Raw Chocolate Company
- **Chocolate-covered nuts and fruit:** Conscious, Fairafric, Pacari, Raw Chocolate Company
- **Pralines and selection boxes:** MonChoco
- **Chocolate-covered honeycomb:** Moo Free
- **Malteser-esque:** Moo Free.

SUGAR-FREE CHOCOLATE

Sugar-free milk chocolate (plant-based or dairy): Conscious, Hotel Chocolat, Lindt, Pacari, Plamil, Raw Chocolate Company.
Sugar-free dark chocolate: Booja Booja, Chocolat Madagascar, MIA, Montezuma's, Ombar, Seed & Bean.

Interestingly, Cadbury Dairy Milk contains more sugar than it does cocoa. The UK legal minimum amount of cocoa in a chocolate bar is just 20%. Ingredients are listed by weight, check the packaging!

Brands we couldn't fit on the table

Mars – Bounty, Celebrations, M&Ms, Milky Way, Revels, Snickers, Twix
Nestlé – Aero, After Eight, Black Magic, Crunch, Dairy Box, Lion Bar, Matchmakers, Milkybar, Munchies, Quality Street, Rolo, Toffee Crisp, Walnut Whip, Yorkie
Mondelez/Cadbury – Boost, Bournville, Creme Egg, Crunchie, Curly Wurly, Daim Bar, Dairy Milk, Double Decker, Flake, Fry's, Heroes, Milk Tray, Milka, Picnic, Roses, Time Out, Twirl, Wispa

All the research behind these ratings is available for subscribers to see on the score tables on www.ethicalconsumer.org. Definitions of all the categories are at www.ethicalconsumer.org/our-ethical-ratings. [S] = value added at source [O] = organic [F] = Fairtrade certified or marketed as fair trade [RA] = Rainforest Alliance certified.



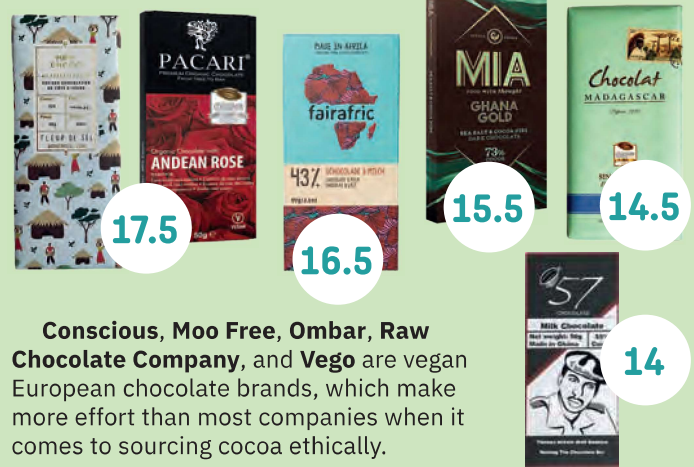
Best Buys are decided by the editorial team based on the research we have undertaken, the scoring system and the unique insight into the issues that our editorial team has. 9 times out of 10 this will be the brand (or brands) that are top of the table but sometimes an ethical company which is truly innovative scores less well on our rigid scoring system and we use the Best Buy and Recommended section to acknowledge this. A company cannot be a Best Buy if it scores worst for Supply Chain Management but it can be a Recommended brand.

Best Buys are either companies that make chocolate in the country where the cocoa is grown (value-added-at-source, marked [S] on the score table opposite), or fully vegan companies that also have adequate cocoa-sourcing policies.



MonChoco and **Pacari** are fully vegan brands and nearly all the profit from purchases stays in the country that grew the cocoa.

'57 Chocolate, **Chocolat Madagascar**, **Fairafric** and **MIA** also primarily benefit the cocoa-growing country. They sell both dairy and vegan options.



Conscious, **Moo Free**, **Ombar**, **Raw Chocolate Company**, and **Vego** are vegan European chocolate brands, which make more effort than most companies when it comes to sourcing cocoa ethically.

Tony's Chocolonely is

leading the way when it comes to making the 'Big Chocolate' industry fairer for farmers. It's not a Best Buy because it doesn't discuss animal welfare despite most of its products containing milk.

Divine and **Cocoa Loco** are Fairtrade certified, but only value-added-at-source or vegan brands with adequate cocoa sourcing policies could be Best Buys. As these brands both use dairy, they're just recommended.

Plamil is a vegan company but is recommended and not a Best Buy because only 90% of its cocoa is sourced through Rainforest Alliance, while the remaining 10% is just organic certified.

(**Booja Booja** is a vegan and organic company but was not recommended because its cocoa sourcing policy was inadequate.)

As there are so many chocolate brands on the market, we didn't include supermarkets in this guide. But in our last ethical guide to supermarkets, **Waitrose** and **Coop** were recommended. Their Fairtrade own-brand chocolate is a good option for low budgets.



Mondelēz, **Nestlé**, and **Mars** lost marks in nearly every ethical category.



Chocolate

Scoretable highlights

Cocoa rating

We considered a brand's cocoa sourcing policy to be 'adequate' if 100% of their cocoa was:

- Certified by Rainforest Alliance or Fairtrade International
- Better than Fairtrade, including payment of at least the Fairtrade premium
- Value-added-at-source (see next page).

The following were adequate and did not lose marks for this rating: '57 Chocolate, Chocolat Madagascar, Cocoa Loco, Conscious, Divine, Fairafric, MIA, MonChoco, Moo Free, Ombar, Pacari, Raw Chocolate Company, Tony's Chocolonely, and Vego.

Brands that didn't meet these criteria were considered to have an 'inadequate' cocoa sourcing policy and lost half a mark in the Workers' Rights category. The majority of brands' cocoa sourcing ratings were inadequate.

Vegan chocolate

Nearly every brand sells a vegan option, but only the following are fully vegan businesses: Booja Booja, Conscious, LoveRaw, MonChoco, Ombar, Pacari, Plamil, Raw Chocolate Company, and Vego.

Despite using lots of dairy, the vast majority of chocolate brands lack adequate discussion of animal welfare, failing to ensure cows are allowed access to graze outdoors for a minimum number of days per year.

Tax conduct

Ferrero, Mars, Mondelēz, and Nestlé all scored our worst

rating for Tax Conduct. Nestlé had high-risk subsidiaries for tax avoidance in known tax havens including Cayman Islands, Bermuda, Hong Kong, Luxembourg, and Netherlands.

Product Sustainability

Companies received whole Product Sustainability marks for being value-added-at-source or Fairtrade certified. They received a half mark for Rainforest Alliance certification. They also received a whole mark for being certified organic.

Boycotts

Mondelēz faces a boycott call in the Nordic region for ongoing operations in Russia. While it has scaled back, it hasn't stopped operations completely. Norwegian airlines, railway groups, hotel chains, retailers, and the Norwegian Football Association have all cut ties with Mondelēz, which claims it is being unfairly "singled out".

Nestlé is still being boycotted for its baby milk marketing.

Plastic and packaging

This guide features one of the world's worst plastic-polluting brands: Nestlé.

If you're fed up of plastic then the following appear to use none at all in their chocolate packaging: Cocoa Loco, Conscious, Divine, Fairafric, HiP, Montezuma's, Raw Chocolate Company, Seed & Bean, and Tony's Chocolonely.

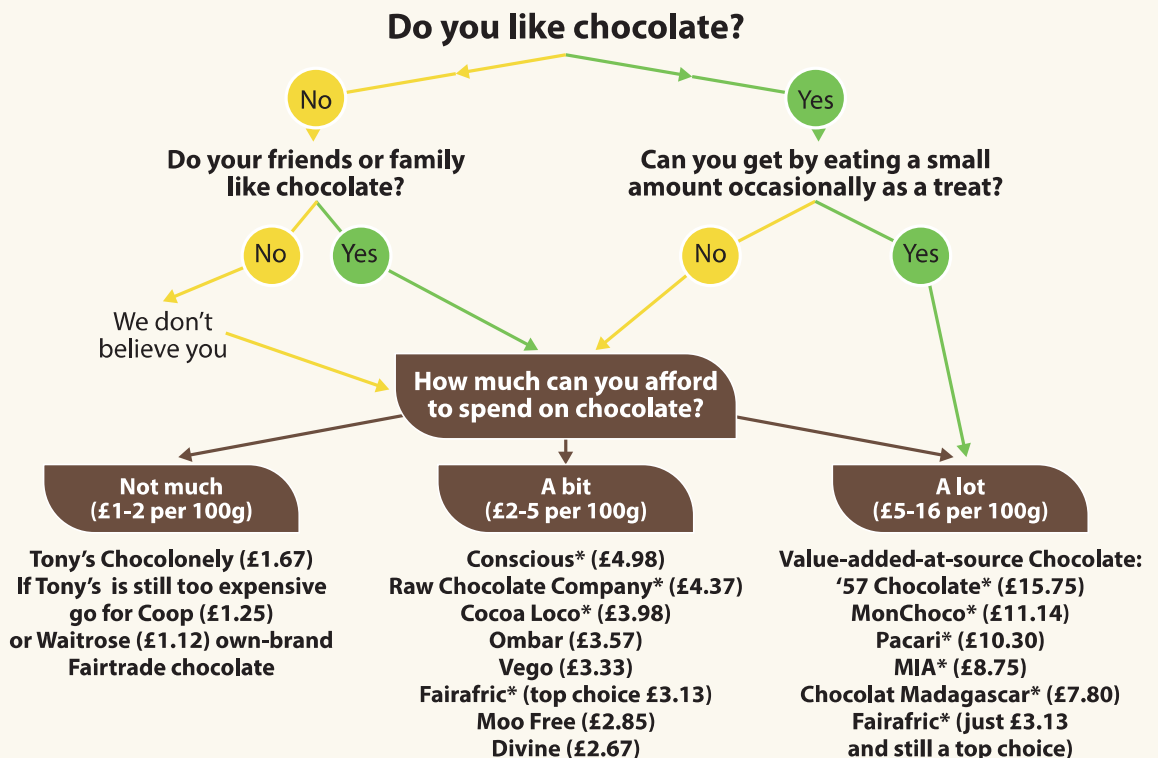
Fairafric uses NatureFlex foil, which is made from wood pulp sustainable forestry and is biodegradable in your own compost. Some stockists sell Fairafric chocolate in refill pots, so you can buy it totally packaging-free.

How to choose the most ethical chocolate for your budget

This flowchart compares Best Buys and Recommended brands on price and ethics. Prices may vary.

Discounts

Some brands sell discounted 'wonky chocolate' (Moo Free) or subscription services (Raw Chocolate's 15% subscription discount reduces its price to £3.71/100g).



For brands marked with an asterisk*, postage costs are included in the price, based on orders of 8-12 bars. All prices are per 100g.

The best chocolate: value-added-at-source

If you want to take the profit out of gluttonous European hands (while still enjoying some actual chocolate in your own) then value-added-at-source (VAS) chocolate enables you to do this.

VAS chocolate is chocolate that was manufactured in the same country that the cocoa beans were grown in, meaning more profits stay inside the cocoa-growing country.

Benefits of buying VAS chocolate

- Your money adds to the wealth of cocoa-growing countries.
- You're directly helping micro companies and local job creation.
- You're helping budding chocolatiers in cocoa-growing countries survive in this European-dominated industry.
- A shorter supply chain, making it easier to trace ingredients back to source and ensure workers' rights are upheld.

Getting less for your money (less chocolate, less child labour, less poverty wages)

Business-as-usual chocolate is wrapped up in child labour, poorly paid farmers, and unjust global distribution of profits.

VAS chocolate is more expensive because local companies face issues including lack of refrigeration and difficulty sourcing four of the five main ingredients in chocolate: milk, sugar, vanilla and lecithin (a stabiliser), which, as small companies, they can't bulk buy. Solutions and alternatives have to be developed and these add to production costs.

Value-added-at-source brands

You're unlikely to see these brands at local stores (except for some local ethical stores): you'll have to buy online and they'll ship to you. Many are micro companies on different continents so customer service levels may vary, and we can't vouch for the reliability of service you'll get.

'57 Chocolate is named after the year Ghana gained independence from the UK, and makes chocolate designed to represent and celebrate Ghanaian art and culture, challenging the idea premium chocolate can only be made in Europe. Its chocolate is handmade in small batches with local ingredients, and cocoa (not

sugar) is always the main ingredient. Its "Black Star" and feminist chocolate gift sets decorated with the faces and stories of African revolutionaries are great presents for lefty loved ones.

MonChoco is a vegan Ivory Coast chocolatier specialising in raw organic cocoa. Shipping chocolate worldwide is carbon-intensive, but its production emissions couldn't be much lower: it literally crushes the cocoa beans 'by bike'. (Our favourite is their 'Beggar' bar which features its classic chocolate with peanuts and candied fruit on top).

Pacari chocolate is made in Ecuador, allowing "50% of the wealth to stay in the country of origin and contribute to its development". Its premium exceeds Fairtrade prices. It works with a UK distributor, so this is a great brand to encourage your local ethical store to get in stock (if it isn't already).

Chocolat Madagascar has received over 30 awards for best chocolate. It says that the "unique rainforest, soil and climate environment" its cocoa grows in means its chocolate has developed a unique fruity flavour.

MIA chocolate is made in Ghana and Madagascar, and the whole bean-to-bar process is illustrated on its website.

Read about **Fairafric** in the Q&A on p11.



Benjamin & Evans, award winning youth farmers from Ghana, taking care of their cocoa trees which provide beans for MIA's Ghana Gold bars.

Child labour & deforestation

Cocoa farmers' income is so low that it's commonplace for them to rely on child labour and deforestation to get by. Up to 9 out of 10 Ghanaian and Ivory Coast cocoa farmers don't earn a living income, and net income of cocoa farmers continues to fall.

Cocoa trees need at least three years to become productive and while they typically have an economic life of 30 to 40 years, yields start to decline after about 15 years. This means that just to maintain production farmers may find themselves embroiled in cycles of deforestation to boost short-term yield.

Ghana and Ivory Coast have lost around 94% and 80% of their forests in the past 60 years, one-third of it to make way for cocoa. About 40% of Ivorian cocoa is estimated to have come from inside protected forest areas, technically making it illegal.

It's been hoped that agroforestry could be part of the solution. This means growing cocoa under moderate shade (like rainforest canopy) rather than full sun. Company reports are full of Agroforestry Action Plans and numbers of seedlings distributed. However, survival rates of distributed trees is less than 2%. But some NGOs see this as an area in which increased investment from companies is a positive thing that could see more impact in future.

You've almost definitely eaten chocolate made using child labour: 4 in 10 cocoa-growing households in Ivory Coast are estimated to use child labour, and 6 in 10 in Ghana.

The following are significant risks to child cocoa farmers:

- Sustaining scars from weeding using machetes.
- Neck damage from carrying heavy loads on their heads.
- Being injured by sharp tools used to crack open cocoa pods.

Ivory Coast's government has taken steps aimed at curbing child labour, including trying to make chocolate companies pay prices high enough for farmers to live on without resorting to child labour, but the issues are far from being resolved. ●

PALM OIL

Some brands add palm oil, a significant driver of deforestation, to chocolate or other products. The following received our worst palm oil rating: Cadbury, Ferrero Rocher, Galaxy, Green & Black's, HiP, Kinder, Kit Kat, Love Cocoa, Maltesers, Mars, Milka, Nestlé, Smarties, Thorntons, and Toblerone.

Chocolate

Voices from the supply chain

One Ghanaian cocoa-farming family in the Cadbury supply chain share their story.

In 2022, Channel 4 visited several farms that were a part of the Mondelez 'Cocoa Life' sustainability scheme.

Father

One farmer, wearing the Mondelez t-shirt he'd been given upon joining Cocoa Life, was struggling to feed his family despite having joined the scheme several years before.

"Since the start of the season in 2021, I have harvested 6 bags. Last season I harvested 8." He said he "has to use his children" to help with the harvest in an effort to produce more.

He was set to receive £500 in total wages for the year: insufficient to even cover average household food costs.

10-year-old daughter

One of his daughters, aged 10, took time off school to help harvest cocoa.

She was once bitten by a rattlesnake on the cocoa farm. Her father took out a loan to pay for the medical treatment.

17-year-old daughter

His other daughter Sandra, aged 17, had been working on the farm for four years. She was badly injured by a machete while weeding.

"We were weeding like this [motions around her ankles]. So mistakenly, I cut my leg. I was wearing slippers.

"There wasn't money to go straight to the hospital, so we went the next day. I've been injured many times but this is very serious.

"I would like to become a midwife or a nurse... It's very difficult because at times they [cocoa farmers] will go and borrow money from the bank for us to get something to eat. So, when they finish caring for the cocoa, the money has already been spent."

Mondelez says it prohibits child labour and has been making significant efforts through its Cocoa Life programme, and refutes allegations that it benefits from child labour.

TAKE ACTION: DONATE TO SANDRA'S MIDWIFE TRAINING



Journalist Antony Barnett, who interviewed Sandra for this Channel 4 documentary (see left), says speaking with her "moved me to such an extent" that he donated the costs for her first year at university, and is trying to Crowdfund the remainder.

Can you donate so that Sandra can qualify as a midwife? <https://www.justgiving.com/crowdfunding/Sandra-chocolate>

Barnett says "Sandra did very well in her first year and very much looking forward to starting again in September 2023. The midwifery course is 4.5 years and there's an outstanding £3750 that's needed ... p.s. I'm still boycotting Cadbury".

LIFECYCLE OF A COCOA BEAN



Are chocolate certifications effective?

- **Best = Fairtrade International**
- **Adequate = Rainforest Alliance**
- **Usually unfit for purpose = corporate sustainability schemes.**

Fairtrade International and Rainforest Alliance (which former certifier UTZ merged with) are the only large-scale cocoa certifiers that guarantee a premium. Low income is the root cause of cocoa issues like child labour and deforestation, so a premium on top of the market price is important, but the premium from Fairtrade is more than three times as high as the premium from Rainforest Alliance.

How is the price of cocoa determined?

Cocoa pricing is complex.

There's 'farmgate' price, which describes exactly what the farm gets paid. The Ghanaian and Ivory Coast governments agree this price with international chocolate companies. It's \$1,330 per metric ton (MT) in Ivory Coast, for example.

However, this price increases as cocoa leaves the farm and passes over to intermediaries. So, another important figure is the 'Free-On-Board' (FOB) price, which refers to the price on export. In Ivory Coast the government has set this to \$2,347 per metric ton.

What's the impact of Fairtrade certification?

Fairtrade minimum price

Part of the Fairtrade model is to have a minimum price, which must be paid when the market price falls below it. In our last chocolate guide (2020) the minimum price was lower than the Ivory Coast government's price, so the Fairtrade minimum effectively wasn't doing anything. However, in 2021 the government lowered its price, meaning that if a company bought chocolate on Fairtrade terms those farmers wouldn't face as much of a financial hit. This shows how Fairtrade helps limit farmers' exposure to market volatility.

The Fairtrade Minimum Price at FOB for cocoa is \$2,400 per MT (\$53 above the minimum market price at FOB required by the government in Ivory Coast.)



The Fairtrade premium

Buyers also have to pay a Fairtrade premium (community investment) of \$240 per MT.

The premium goes into a communal fund for workers and farmers to use – as they see fit – to improve their social, economic, and environmental conditions.

Combining minimum price and premium, buying Fairtrade chocolate contributes an extra 12.5% into the Ivory Coast farmers' community than non-certified chocolate.

(NB, 'fair trade' isn't a protected term, so sometimes it means virtually nothing. Make sure you're looking for Fairtrade's official logo or the words: "Fairtrade International".)

What's the impact of Rainforest Alliance certification?

Sustainability Differential

Rainforest Alliance requires payment of a Sustainability Differential (SD): an extra payment made to certified producers on top of the market price.

At the time of writing this was \$70 per MT, meaning that farmers signed up to its scheme receive an extra 3% on top of the market price.

It doesn't have its own minimum price like Fairtrade, however, so if the market price drops farmers could still find themselves in the lurch (but they'll still be getting \$70 more than non-certified farmers).

Sustainability Investments

Rainforest Alliance also requires payment of Sustainability Investments (SI), which are cash or in-kind investments from buyers that should help farmers reach compliance with Rainforest Alliance's standards.

But we found no information on whether there was a minimum SI, what the average SI was, or how impactful SI investments actually are.

Do corporate sustainability schemes have any impact?

Most big chocolate companies have their own sustainability schemes, for example Mondelez (Cadbury)'s 'Cocoa Life', Nestlé's 'Cocoa Plan', Hotel Chocolat's 'Gentle Farming', and Mars' 'Cocoa for Generations'.

But these schemes tend to cover just a proportion of the company's cocoa suppliers, as opposed to 100%, meaning some farmers get the benefits but others get none. As Sandra's story shows on p.16, even conditions on farms participating in schemes can be terrible – which may not come as a surprise to those of you who have doubts about multinational corporations marking their own homework.

A 2023 Oxfam report says: "robust, public data on the income effects of companies' interventions are virtually non-existent ... The price premiums paid by companies are too low to make a significant difference in farmers' incomes ... Without more pronounced and ambitious efforts by companies, a living income will remain an illusion for most farmers across companies' cocoa supply chains."

Example: Hotel Chocolat

Hotel Chocolat's Gentle Farming programme pays \$2.33/kg (lower than Fairtrade but much higher than market rates). But there's no clear figure stating how much of its overall cocoa is sourced through the programme.

What should big brands be doing?

Despite what their sustainability reports claim, big chocolate brands are dragging their feet when it comes to improving conditions for cocoa farmers. The Ivory Coast and Ghana governments accuse chocolate companies of doing "everything possible" to prevent the cost of cocoa from increasing, and even trying to drive it back down.

According to Oxfam, there are two clear options for big companies who want to take meaningful action towards a living wage for cocoa farmers:

1. Honour the Living Income Differential (LID) (see p11).

Companies' public statements of support for the LID have according to Oxfam "not been shared by their procurement teams", with companies using bargaining power to offset the higher costs.

2. Honour the Fairtrade Living Income Reference Price (LIRP) model for cocoa.

This means making additional payments to farmers to enable a living income. Tony's Chocolonely is the only company to have adopted this at large scale. See overleaf for a profile of Tony's. ●



Chocolate

How ethical is Tony's Choclonely?

Tony's Choclonely's says it aims to make "100% slave free" chocolate.

Every year Tony's states how many cases of child labour it identified in its supply chain. It argues that being transparent about its existence, and how it addresses the issue, could help create an end to child labour in the industry in future.

Tony's says its long-term partners have a child labour prevalence of 4.4% (very low, presuming it's accurate). Its newer partners have rates of 52.8%.

Tony's says that by committing to work with new partners

for at least five years, it can bring the rates down, contributing to the eradication of child labour in the industry.

Its 'Beantracker' mechanism traces all cocoa back to source, and it knows what quantities are bought from which farms and how much premium was paid.

In 2020, the organisation Slave Free Chocolate criticised Tony's for sourcing cocoa through Barry Callebaut (the major cocoa processor that has a host of abuses in its supply chain and has worked with Nestlé, Mondelez, and Unilever, among others).

But Choclonely says "we deliberately chose to partner with Barry Callebaut to show that it is possible to be fully traceable while working with a large processor".

Fuzz Kitto, co-director of the NGO Be Slavery Free which produces an in-depth ranking of chocolate company ethics and works with brands to improve practices, says "Choclonely wanted to show a big processor that it was possible for one subsection of their supply chain to become fully traceable. That way, Barry Callebaut could then offer that service to other chocolate companies. The fact Choclonely is finding instances of child labour in its supply chain means its system is working. We all know child labour is in cocoa supply chains, but Choclonely can find out where it is and deal with it. Tony's Choclonely is working with 'bad company' Barry Callebaut because they think working with it can help bring about the biggest change across the industry, more than making their own bean-to-bar chocolate would do."

Choclonely isn't a Best Buy because it doesn't discuss animal welfare at all, meaning its milk is likely sourced from factory-farmed cows, and it scored poorly in our carbon rating.

But it's leading the way when it comes to pushing for large-scale change for cocoa farmers. It's Fairtrade certified and pays a premium higher than Fairtrade.



The unevenly sized chunks of their 180g bars are to remind us that the profits in the chocolate industry are unevenly divided (see page 10).

Tony's says its long-term partners have a child labour prevalence of 4.4% (very low, presuming it's accurate).



Companies behind the brands

We have to be really selective about brands to research in this massive sector, but we aim to cover the most ethical and the most well known.

Beyond Good was removed since our last guide as it no longer retails in the UK. Nomo and Monty Bojangles were on our radar, but preliminary research suggested they were unlikely to be Best Buys or Recommended. Ritter and Guylian seemed likely to score average at best.

You can use the 'What to buy/not to buy?' questions to do your own research on brands we didn't include.

Mondelez has been criticised by Greenpeace, WWF, Rainforest Action, and Friends of the Earth for links to palm oil deforestation. It came fourth place in Surfers Against Sewage's annual naming of the world's worst plastic-polluting companies.

Nestlé has been criticised by NGO Global Witness for sourcing palm oil from plantations in Brazil that are linked to torture of indigenous people, using unsustainable amounts of water in ways that negatively affect local communities and ecosystems, was named a top plastic polluter by Greenpeace, and uses meat and dairy without stringent welfare policies.

Ferrero's CEO received a £542 million dividend, according to a Guardian article, while the company paid just £110,000 in UK taxes, despite selling £419 million worth of chocolates in Britain. A Euronews article accused Ferrero of paying hazelnut workers in Turkey just one euro per hour in 2021, saying "Hazelnut producers feel like they have no choice and are scared of speaking out against the Italian giant." ■

