

Letter of Intent

Sustainable cocoa consumption and cocoa production

Context

Cocoa is highly appreciated by consumers. The production of cocoa and cocoa products contributes to many jobs and is a major source of income. In producer countries, millions of people depend on cocoa for their daily livelihood and income.

Global cocoa production is approximately 3 million tonnes, with 25% of all cocoa processing executed in the Netherlands. We therefore see it as a good signal that all participants in this market support and contribute to the further sustainability of the international cocoa industry. The Dutch cocoa industry has an annual turnover of Euro 2.5 billion and generates over 10,000 jobs. In the Netherlands alone, we consume approximately 37,000 tonnes of cocoa beans: this is equal to nearly 5 kg of chocolate per person.

Possible future scarcity of cocoa on the world market and the quality of cocoa beans is at stake. Many cocoa farmers can hardly survive and they often lack the resources to improve cocoa production. The sector faces the challenge of meeting the growing consumer demand for guaranteed sustainably produced cocoa. Civil society organizations, the cocoa industry, unions and the government have come together to address sustainability in the cocoa value chain.

Objective

We, the signatories of this Letter of Intent, strive to continuing our efforts at an international level to contribute to the revitalization of the cocoa sector within our own responsibilities and capabilities. In close collaboration with the responsible authorities we will help improve the lives and incomes of millions of small farmers, in order to build an attractive cocoa sector for current and future generations. We will continue to contribute to training of farmers in modern agricultural techniques to promote higher productivity and better quality cocoa. We support the organization and strengthening of producer groups and improved working and living conditions.

Government, business and civil society will continue to invest in international public-private cooperation in the cocoa sector. This initiative fits well with - and can serve as a source of inspiration for – the cooperation occurring around initiatives by the International Cocoa Organization, the Roundtable for a Sustainable Cocoa Economy and the World Cocoa Foundation. Additionally, we support public-private initiatives in the supply chain, in which the Dutch Sustainable Trade Initiative (IDH) will play an important role.

To achieve this objective, we will also put our efforts into:

- Trust and understanding of consumers and the industry in sustainable cocoa, including reliable communication on sustainable cocoa to consumers and the sector;
- Stimulating further growth of demand for and supply of sustainable cocoa;
- Further cooperation between labels, lowering costs for the process of certification, unequivocal verification, and clarity about joint training for stakeholders in the cocoa chain;
- Optimal cooperation in the chain, in order to increase the availability of the right quality and origins of sustainable cocoa;
- Full recognition of and compliance with international labor rights, as defined in ILO Conventions and OECD guidelines, where appropriate for the cocoa sector.

As part of our international efforts, for the Netherlands specifically, we aim to achieve 100% guaranteed sustainable cocoa consumption by 2025. Considering the results of a market survey to demand and supply of sustainable cocoa for the Dutch market and a subsequent consultation round, we are striving for the following intermediate milestones:

- 2012: all chocolate letters for the Dutch market are from 100% sustainable cocoa
- 2015: 50% of all cocoa used in cocoa and chocolate products that are consumed in the Dutch market to be guaranteed sustainable cocoa
- 2020: 80% of all cocoa used in cocoa and chocolate products that are consumed in the Dutch market to be guaranteed sustainable cocoa

The stakeholders will set up a Chocolate Working Group for implementation and monitoring of the activities, facilitated by IDH and the Ministry of Agriculture, Nature and Food Quality. They will define clear rules and agreements. We will further develop this Letter of Intent in a broadly recognized and concrete action plan; furthermore, each of us will also announce what our contributions are from our own responsibilities and capabilities. We will have periodic consultations on progress in achieving the targets. Taking into account future market research and international developments in the demand for and supply of sustainable cocoa, we can adjust the targets.

We will also jointly monitor the embedding of the principles for sustainable cocoa in the labels as mentioned in the annex, and if necessary, strengthen them.

Finally, we invite others to join with this Letter of Intent. The Letter of Intent is open for signing by stakeholders in the cocoa sector who are willing to contribute to achieving a sustainable cocoa sector.

Terminology

Guaranteed sustainable cocoa:

The terms of sustainable development as described by the Brundtland Commission, creates the framework for cocoa: development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

We use the outcome of the Second Roundtable for a Sustainable Cocoa Economy (RSCE), "Key elements for a socially responsible, environmentally and economically sound cocoa sector" (people, planet and profit), as explained in document RSCE 2 / 7: Draft Principles for a Sustainable Cocoa Economy, namely:

1. Transparency;
2. Compliance with laws and regulations;
3. Good price for cocoa quality, improved productivity and incomes for farmers;
4. Access to credit and rural development services, and diversification;
5. Market access and market information;
6. Decent working conditions;
7. Support for farmers and labor organizations;
8. Unique land use planning and good infrastructure;
9. Wise management of natural resources;
10. Conservation and wise use of biodiversity.

By guaranteed, we mean to emphasize that these principles have been put into action in an internationally proven and externally verifiable way. This may, in principle, include the labels of Rainforest Alliance, UTZ Certified, Organic and Fairtrade.

The interpretations of sustainability are dynamic and improvement of its utilization remains subject to discussion.

Dutch cocoa market:

This Letter of Intent focuses on the Dutch-chocolate confectionery market, expressed in cocoa bean equivalents. We see the market in 5 main categories, as defined by "Studiecentrum Snacks en Zoetwaren Benelux". These are:

- Bars, Tablets
- Candy Bars including count lines
- Small chocolates and bonbons
- Dragees and bitesizes
- Seasonal Products

Categories such as chocolate and custard, toppings (sprinkles), biscuits, pastries and ice cream also fall under this term.