



## CONTENT

| 1. FOREWORD & SUMMARY  | 4  |
|--|----|
| 2. REPORTING AND INFORMATION   | 6  |
| 2.1 Monitoring the Share of Sustainable Cocoa                          | 6  |
| 2.2 Case Study on Sustainable Procurement: PRONATEC                    | 12 |
| 2.3 ISCO Monitoring: Progress and Challenges in Cocoa Sustainability   | 14 |
| 3. NETWORK AND KNOWLEDGE EXCHANGE                                      | 15 |
| 3.1 General Assembly: "Regulations – Opportunity or Risk?"             | 18 |
| 4. PROJECTS  | 19 |
| 4.1 Project: "Prevent the Spread of Cocoa Swollen Shoot Virus Disease" | 20 |
| 4.2 Ghana Household Income Study                                       | 22 |
| 5. INTERNATIONAL COLLABORATION   | 23 |
| 5.1 Policy Dialogue with Cocoa-Producing Countries                     | 23 |
|  |    |
| 6. ORGANISATION  | 26 |
| 6.1 Structure of the Association                                       | 26 |
| 6.2 Members of the Cocoa Platform                                      | 28 |
| 7. FINANCES  | 32 |



### **FOREWORD**

Dear members and partners,

We look back on 2024, another year of high cocoa prices and evolving regulations, bringing both opportunities and challenges. Both trends hold potential: higher prices can help cocoa farmers reach a living income, while well-designed regulations can create a level playing field and discourage harmful practices.

However, unintended consequences can arise.
Regulations have driven sustainability with a compliance focus rather than a long-term impact. Many companies favour low-risk regions, potentially marginalising vulnerable farming communities. High prices, on the other hand, can pose challenges not only for cocoa producers' organisations but also for small and medium-sized trading businesses and chocolate manufacturers.

At our sixth General Assembly in July, we discussed whether regulations in the cocoa sector are an opportunity or a risk. We agreed that a "smart mix" of regulations and market-driven instruments is needed. While regulations set baseline standards, voluntary approaches foster innovation and can address sustainability challenges more ambitiously.

A milestone in our international collaboration was our Cocoa Household Income Study (CHIS) we conducted jointly with the Ghana Cocoa Board (COCOBOD). The study provided valuable insights into farmers' income levels, sparking broad interest across the sector. Additionally, our work on mainstreaming Dynamic Agroforestry (DAF) in Ghana reinforced our role in advancing sustainable cocoa farming.

Beyond cocoa, we helped to establish the Swiss Sustainable Coffee Platform (SSCP). Drawing on our experience in multi-stakeholder initiatives, we actively supported the Platform's launch and operations. The collaboration has revealed synergies between cocoa and coffee, reinforcing the value of cross-sector learning.

On behalf of the Board, I thank all members and partners for your commitment. Let us keep tackling challenges together, in a spirit of shared responsibility, to build a resilient, sustainable cocoa sector.



President of the Swiss Platform for Sustainable Cocoa (SWISSCO)

#### **SUMMARY**

Below, find a summary of our milestones in 2024 categorised by our four core areas of action.



#### 1. Reporting and Information

In 2024, 84 % of the cocoa bean equivalents imported into Switzerland came from sustainable production, compared to 82 % in the previous year. Already in 2023, we have reached our goal of having a sustainable share of 80 % by 2025. We will continue our efforts to attain 100 % by 2030.

The second joint monitoring brief of the National Initiatives on Sustainable Cocoa in Europe (ISCOs), released in December 2024, consolidates data from the European multi-stakeholder initiatives, showcasing our collective achievements and commitments to sustainable cocoa production. SWISSCO fully participated in this monitoring on an European level, involving 32 of its member companies.

In 2024, SWISSCO published a number of key documents, including a Guidance Document on SBTi, an Issue Brief on Child Labour, an updated Issue Brief on Cocoa Price, and a new Issue Brief on Agroforestry.



#### 2. Network and Knowledge Exchange

In April 2024, we launched our new webinar series *Cocoa Tertulias*, creating a space for ongoing dialogue and knowledge exchange within our community.

In May, members gathered in Lausanne to explore the evolving landscape of traceability solutions—an essential pillar for verifying sustainability claims. The event highlighted various approaches emerging in response to new regulatory requirements.

In July, our General Assembly, co-hosted by SECO in Bern, focused on the topic "Regulations in the cocoa sector: opportunity or risk?" The event brought together members and partners to explore the evolving regulatory landscape and its implications.



#### 3. Projects

Members of the Cocoa Platform remain actively engaged in public-private partnerships. In 2024, six landscape projects, nine innovation projects, and nine peer learning and collaboration projects are being implemented, with CHF 1.23 million in funding approved by SECO that same year, involving 34 SWISSCO members.



#### 4. International Collaboration

In November, the Cocoa Platform and the Ghana Cocoa Board (COCOBOD) published a joint study on the incomes of cocoa-producing households in Ghana, based on a Memorandum of Understanding signed between Ghana and Switzerland. In collaboration with Swiss research partners FiBL and HAFL, the study surveyed 600 households and held 22 focus group discussions during the 2022/23 cocoa season. The findings offer a detailed picture of cocoa farmers' incomes, revealing that 91% of households earn below the Living Income Benchmark.

### 2. REPORTING AND **INFORMATION**

As one of its core tasks, the Swiss Platform for Sustainable Cocoa (SWISSCO) continued to collect data on sustainable cocoa imports and conducted member surveys in 2024. This section presents the results and outlines successes and challenges in achieving the goals of the Roadmap 2030.

#### 2.1 Monitoring the Share of Sustainable Cocoa

The Cocoa Platform has set the goal that by 2025, at least 80 % of all cocoa products physically imported into Switzerland come from sustainable agricultural production. By 2030, the share shall reach 100 %. To monitor the achievements of these goals, the Cocoa Platform relies on official import statistics and member surveys.

#### How the data is collected

First, the total amount of cocoa imported into and exported from Switzerland is identified based on Swiss foreign trade statistics. However, these statistics do not provide specific information on production methods and certifications.

In a second step, the Coordination Office has been conducting an annual member survey since 2018, asking the members to provide qualitative details about their imports. As all members with imports (sectors A and B, see chapter 6.2) fulfil this task, the missing data on production methods and certifications in the results come from imports covered by trade statistics but made by non-members.

In a third step, the share of all types of imported cocoa products is converted into so-called cocoa bean equivalents by the conversion factors set by the International Cocoa Organization, ICCO (see Table 1). This allows a comparison between cocoa products based on the amount of raw cocoa beans required for each product.

#### Our definition of Sustainable Cocoa Production

Sustainable cocoa is cocoa produced and sourced from a system that i) strives for decent living conditions for cocoa farmers and their families, ii) promotes climate mitigation and adaptation, and protects biodiversity, and iii) strives for an economically viable and transparent cocoa value chain, both for present and future generations.

In order to meet this definition, cocoa imports must either be certified by common labels such as Fairtrade Max Havelaar, Rainforest Alliance or organic. Another option are companyspecific sustainability programs that are verified by an external body. However, company-specific programmes that are not verified by a third party are not considered sustainable and are referred to as self-declared.

#### Swiss imports and exports of cocoa beans and cocoa products

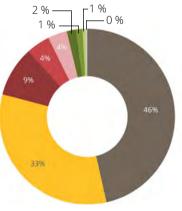
Swiss foreign trade statistics record the quantity of cocoa beans and cocoa products imported into Switzerland, classifying them according to the World Customs Organization Harmonized System codes (HS codes). A total of 11 categories are distinguished:

| HS Code  | Commodity                 | CF   | HS-Code | Commodity   | CF  |
|----------|---------------------------|------|---------|---|-----|
| 1801     | Cocoa beans               | 1    | 1806.1  | Cocoa powder, sweetened   | 0.4 |
| 1803.1   | Cocoa paste/liquor        | 1.25 | 1806.2  | Chocolate in blocks > 2 kg  | 0.4 |
| 1803.2   | Cocoa cake                | 1.18 | 1806.31 | Chocolate, filled   | 0.2 |
| 1804     | Cocoa butter              | 1.33 | 1806.32 | Chocolate, not filled   | 0.4 |
| 1805     | Cocoa powder, unsweetened | 1.18 | 1806.9  | Other (Other food preparations containing cocoa, chocolate other than blocks, slabs or bars (e.g. balls, Easter bunnies etc.) finished products = < 2 kg) | 0.2 |
| 1704.901 | White chocolate           | 0.2  |         |   |     |

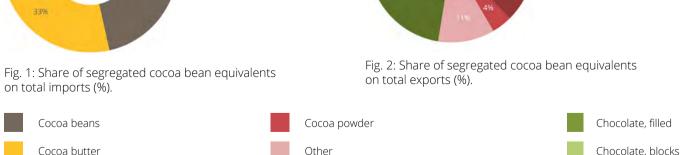
Table 1: HS Codes for cocoa beans and cocoa products, including white chocolate, with corresponding ICCO conversion factors (CF) for the conversion into cocoa bean equivalents.

#### **Imports 2024**

Based on the Swiss foreign trade statistics, 142,776 tons of cocoa beans and cocoa products were imported into Switzerland in 2024. This corresponds to 126,534 tons of cocoa bean equivalents. Cocoa beans (46 %) and cocoa butter (33 %) account for the largest share of imports, followed by cocoa paste (9 %) and cocoa powder (4 %). Only a small part is imported in the form of semi-finished or finished products (see figure 1).



on total imports (%).

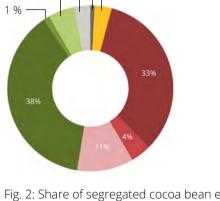


Chocolate, not filled

Source: Swiss foreign trade statistics (data extracted on 28 April 2025).

#### **Exports 2024**

In 2024, Switzerland exported 168'499 tons of cocoa products, which corresponds to 77,182 tons of cocoa bean equivalents. This means that more than half of the imported equivalents are re-exported. These exports mainly consist of chocolate products such as unfilled chocolate, cocoa paste and chocolate bars (see figure 2), which contain additional ingredients such as sugar and milk powder. This explains why the volume of exported cocoa bean equivalents is much lower than the absolute volume without conversion.



Remaining categories

**REPORTING AND INFORMATION** REPORTING AND INFORMATION

Cocoa paste

#### Imports of sustainably produced cocoa beans and cocoa products

As shown in Figure 3 below, 94% of Switzerland's imports of cocoa bean equivalents are covered by members of the Cocoa Platform. The remaining 6 % are imported by non-members. There is no information available on how these imports were sourced or produced, so they are marked as missing data. If the Cocoa Platform had data on how this 6% was produced, the total share of sustainably sourced imports could actually be higher.

In 2024, 84% of all cocoa bean equivalents imported into Switzerland were sourced from sustainable production, representing a 2% increase compared to 2023. Aditionally, the share of imported certified cocoa rose by nine percentage points, from 37% in 2023 to 46% in

2024. Meanwhile, the share of imported conventional cocoa declined by 4 percentage points, from 13% in 2023 to 9% in 2024.

#### **Alternative conversion factors**

Other conversion factors, such as those from ISO-CEN (1.22 for cocoa paste and 2.44 for cocoa butter and powder), can also be used in addition to those from the ICCO to calculate cocoa bean equivalents. Based on these, 82% of cocoa imports in 2024 were sustainably produced—already exceeding our 2025 target of 80%.

The total share of sustainably produced cocoa imports into Switzerland is calculated as follows:

Cocoa sourced from sustainable production [%] =

certified+verified cocoa bean equivalents

total imported cocoa bean equivalents

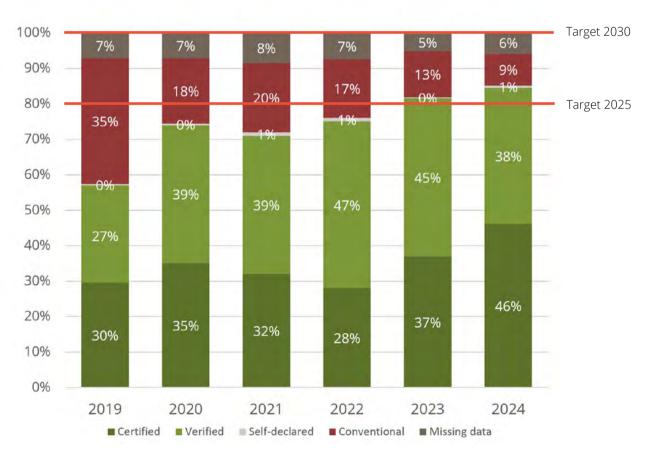
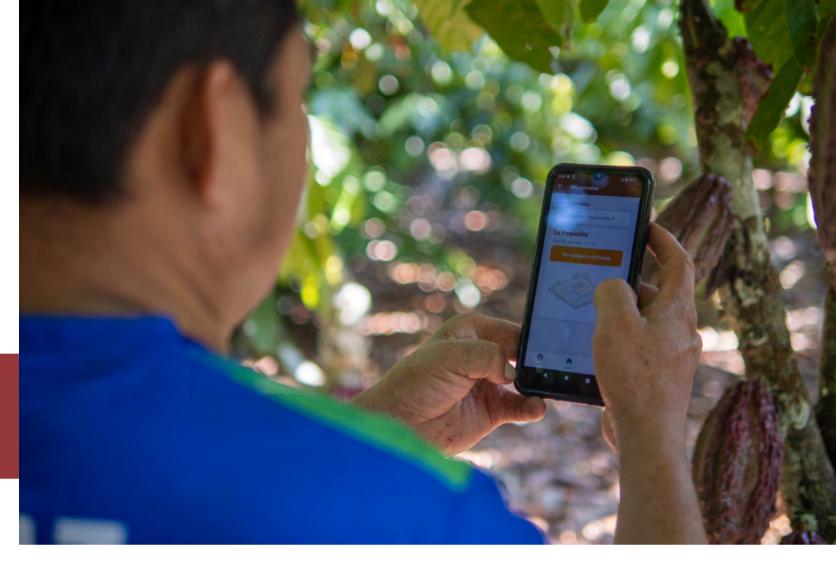


Fig. 3: Share of certified, verified, self-declared (not verified by a third-party) and conventional cocoa bean equivalents on total imports (in %). Source: Member survey on sourcing statistics. Missing data results from imports recorded by Swiss trade statistics but not covered by SWISSCO members.



Looking at the share of different certification schemes, it becomes evident that a large portion of certified imported cocoa products (based on MT data) is certified by Rainforest Alliance (56 %). However, double or even triple certifications are possible, which is why the shares together make up more than 100 %.

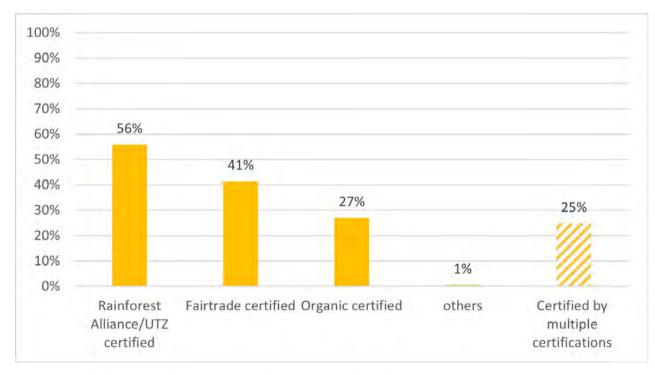


Fig. 4: Share of different certification schemes of total imports of certified cocoa products (in %). Source: Member survey on sourcing statistics.

REPORTING AND INFORMATION

8 9

#### Share based on different product categories

The sustainable share of imports varies significantly across the different cocoa product categories. For Switzerland's most relevant import product—cocoa beans (see Figure 5)—98% were sourced from sustainable production in 2024.

The share of sustainably sourced cocoa paste/liquor reached 100%. In contrast, the share for cocoa powder fell to 63%, down from 67% in 2023.

The proportion of sustainably sourced cocoa butter increased by 10 percentage points compared to 2023 and now accounts for 79%.

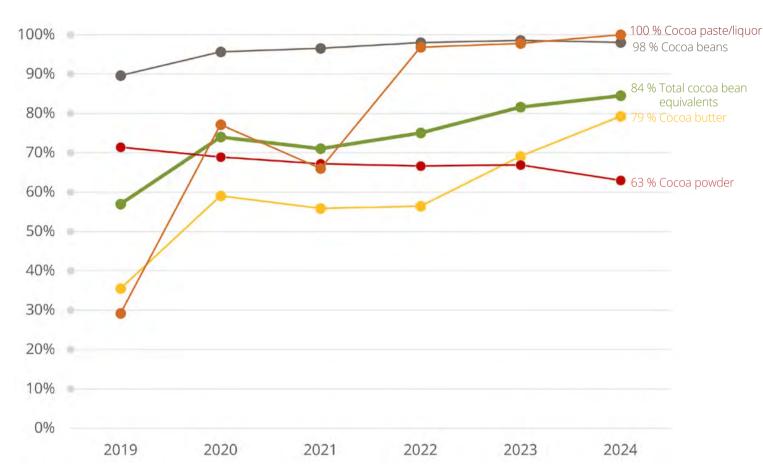


Fig. 5: Share of sustainably sourced cocoa bean equivalents for different product categories (in %). Source: Member survey on sourcing statistics.

#### **Differences between companies**

Significant differences can be observed in the share of sustainably produced cocoa imports among the various members of the Cocoa Platform. In 2024, 65.5% of members imported between 80% and 100% certified or verified cocoa bean equivalents, while 17% of companies imported between 60% and 80%, or less than 50%, sustainably produced cocoa products (see Figure 6 below).

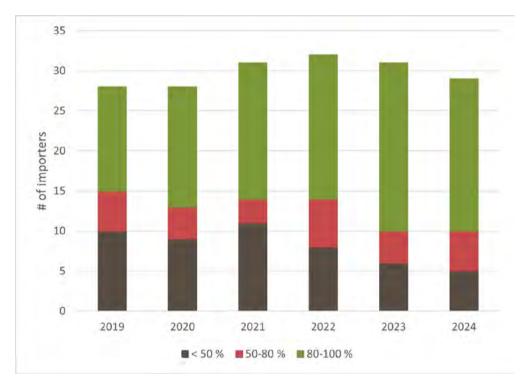


Fig. 6: Share of sustainably sourced cocoa bean equivalents of the 29 importing member companies that reported their sourcing data. However, as companies import different amounts of cocoa bean equivalents this increase does not automatically correlate with the overall increase in the total share of sustainable imports.

#### **Summary of results 2024**

In 2024, 84% of cocoa bean equivalents imported into Switzerland were sourced from sustainable production. This represents a 2% increase compared to the previous year.

98% of the cocoa beans imported into Switzerland were sourced from sustainable production. Meanwhile, the proportion of sustainably sourced cocoa butter increased by 10 percentage points compared to 2023, now accounting for 79%.

94% of all cocoa products imported into Switzerland are covered by members of the Cocoa Platform. This means that the share of missing data has slightly increased, from 5% in 2023 to 6% in 2024.

The number of Cocoa Platform members with high shares of sustainably produced imports has shown a slight increase. However, some members continue to report very low shares. To reach the target of 80% sustainably produced cocoa by 2025 and 100% by 2030, these companies will need to significantly increase their share of sustainably sourced imports by 2030.

REPORTING AND INFORMATION

10 REPORTING AND INFORMATION

11

#### 2.2 Case Study on Sustainable Procurement: PRONATEC

## «It is very important to us to enter into long-term partnerships with cocoa farmers.»

PRONATEC is the only cocoa processor in the world that exclusively manufactures products from organic cocoa beans. The company also pursues a direct-sourcing approach. Simon Yersin, Head of Cocoa and Executive Board Member looks back on a challenging year 2024.

## Simon, PRONATEC exclusively processes organic cocoa. What special requirements must be observed?

As our modern plant only processes organic cocoa, separate processing of each product batch was a key concern to fulfil the high requirements of organic certification and ensure 100% traceability. When we previously used external conventional facilities, we often had unexplained residues. There was mixing with conventional cocoa. With our new system, we can avoid these problems by consistently separating batches.

# In 2023, PRONATEC did very well in terms of sourcing sustainable cocoa. The total amount of cocoa processed was certified organic. In addition, almost 75% of the cocoa was dual-certified (organic and Fairtrade). Were you able to improve again in 2024?

Although the quantity of Fairtrade-certified cocoa increased by a good half in absolute terms last year, the proportion remained constant at 75%. We are pleased that we were able to achieve this in the current supply situation and hope to be able to increase the proportion in the current year.

## PRONATEC pursues the model of a value chain without intermediaries, also known as direct sourcing. How does this model work?

Whenever possible, we buy the cocoa directly from the smallholder cooperatives and not through middlemen. It is very important to us to enter into long-term partnerships with cocoa farmers; we have been sourcing organic and Fairtrade-certified cocoa from some cooperatives for almost 30 years. To this end, we have established subsidiaries in the Dominican Republic and Madagascar. Our local employees coordinate the collaboration with the cooperatives and farmers. In the other cocoa-origin countries, we work closely with cooperatives from our headquarters in Winterthur.

### What are the advantages of this procurement model?

An important advantage is that we know the needs of farmers and can therefore build and maintain long-term, stable business relationships. We can also better tackle challenges such as new regulations, such as the EU Deforestation Regulation (EUDR), and support farmers in implementing these requirements.

We source 60-70% of our cocoa from the Dominican Republic, with 80-140 employees working locally for our subsidiary YACAO, depending on the season. They buy the cocoa directly, ferment and dry it and prepare it for export. Most of the producers are members of the FUNDOPO cooperative, which is certified with various organic and Fairtrade labels. We source almost all of our remaining cocoa requirements directly from other small-holder cooperatives.

## How does PRONATEC guarantee the traceability and quality of the cocoa beans by purchasing directly from small farmers' organisations?

In the regions where we have a direct local presence, we use an enterprise resource planning system and a digital, app-based purchasing system that we are continuously developing. This allows us to fully trace the entire process - from purchasing cocoa from small-holder farmers to export and the processing of semi-finished products in our factory.

For cocoa from other origins, we receive detailed data on the producers for each shipment and can therefore ensure traceability. In addition, we regularly review and evaluate the processes through on-site visits to ensure transparency and quality along the entire supply chain.

## The last year 2024 was turbulent for many companies in the cocoa sector. Was your model also subjected to a stress test?

The market situation is extremely challenging: all market participants have been unexpectedly and significantly impacted by the record-high cocoa prices. In this context, a new problem has arisen: over 20 % of our suppliers have not honoured existing contracts and volume and price agreements, while at the same time, we were bound by fixed contracts with our customers. Bean purchasing has developed into an extreme seller's market in which price is the central criterion and other factors are increasingly taking a back seat. For the 2024 harvest, we needed up to five times more capital than in the previous year - an enormous challenge that was difficult to overcome. The purchasing market is currently extremely volatile, which makes reliable planning very difficult. While customers want to buy at the lowest possible price, cocoa producers are aiming for the highest possible price. Both sides are therefore waiting as long as possible to make their buying or selling decisions, which makes planning extremely difficult.

We were able to overcome this situation thanks to the support of our customers, financing partners and the exceptional commitment of our employees, who were under immense pressure. Despite these challenges, our direct sourcing model remains the core of our business.



## Have you developed a climate strategy to reduce the CO2 emissions generated by your business processes?

We are currently working on creating a comprehensive carbon footprint for our entire production. On this basis, we are developing a concept that will enable our customers to have their products manufactured using renewable energy sources. However, many customers are not yet prepared to bear the additional costs of more climate-friendly production.

On the processing side, we run our factory in Beringen exclusively on hydropower, while our offices are supplied with solar power. We have also committed to travelling up to eight hours by train or overnight train instead of flying.

We also attach great importance to conserving resources. We have invested heavily in state-of-the-art, energy-efficient production. By using heat exchangers, energy is used optimally, and losses are minimised. We are also working on a solar project for the roofs of

our production facilities in order to utilise even more renewable energy. By-products such as cocoa shells are recycled.

In the Dominican Republic, we are also actively involved in sustainable agriculture. We provide small farmers with seedlings from two large clonal gardens, both climate-resistant cocoa trees and other local plant varieties. It is important that our demand does not lead to deforestation, as emissions from land use change are generally the largest proportion of greenhouse gas emissions caused by cocoa production. Deforestation should be prevented altogether and the cultivation of cocoa in dynamic agroforestry systems should be promoted.

Another important step is the promotion of sustainable transport solutions. We will be using electric lorries powered by solar energy to deliver liquid organic cocoa mass and cocoa butter.

#### The interviewe

Simon Yersin is the Head of Cocoa and an Executive Board Member at PRONATEC.

REPORTING AND INFORMATION

12 REPORTING AND INFORMATION

13

#### 2.3. ISCO Monitoring: Progress and Challenges in Cocoa Sustainability

The second joint ISCO Monitoring Brief consolidates data from the European initiatives, showcasing their collective achievements and commitments to sustainable cocoa production in 2023.

The European National Initiatives on Sustainable Cocoa (ISCOs) are comprised of the national sustainability initiatives from Germany (GISCO), Belgium (Beyond Chocolate), the Netherlands (DISCO), France (FRISCO) and Switzerland (SWISSCO), to drive sustainability in the cocoa sector. These initiatives address key challenges such as living income, child labour, deforestation, and traceability while aligning their monitoring systems to track progress effectively.

Key Findings of the ISCO Monitoring Brief, released in December 2024:

**Living Income:** In 2023, members made notable progress in measuring living income gaps and implementing strategies to close them, reflecting a stronger commitment from ISCO members. While the Living Income Reference Price (LIRP) payments have increased slightly, many cocoa farmers still earn below a living income. Data availability remains a challenge, with only a limited number of ISCO members providing information. Expanding data coverage in future reporting cycles will be essential to accurately track progress.

**Traceability:** Traceability has improved across all ISCO member groups, but a significant portion of cocoa – particularly from retailers – still lacks clear origin information. Strengthening traceability, especially in the downstream supply chain, is crucial to ensure greater transparency.

**Deforestation:** Nearly half of the cocoa sourced by traders and processors is claimed to be deforestation-free.

14

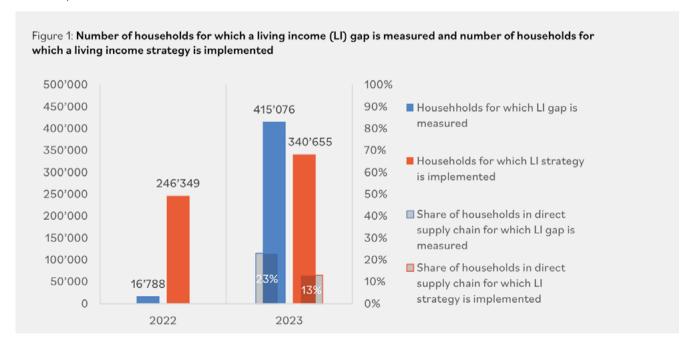
However, this figure drops to just a quarter further down the supply chain. This doesn't necessarily indicate that the remaining cocoa is linked to deforestation, but rather that better information-sharing among supply chain actors is needed to verify sourcing practices.

**Child Labour:** Efforts to combat child labour have also intensified. The number of households covered by child protection and human rights due diligence systems, as well as children monitored under Child Labour Monitoring and Remediation Systems (CLMRS), has increased significantly. However, the proportion of identified child labour cases remains low, suggesting gaps in detection mechanisms. While many companies have implemented child protection systems, fewer have reported actual cases, underscoring the need for improved data collection and monitoring.

Access the <u>Joint Monitoring Brief</u> by scanning the OR code below:

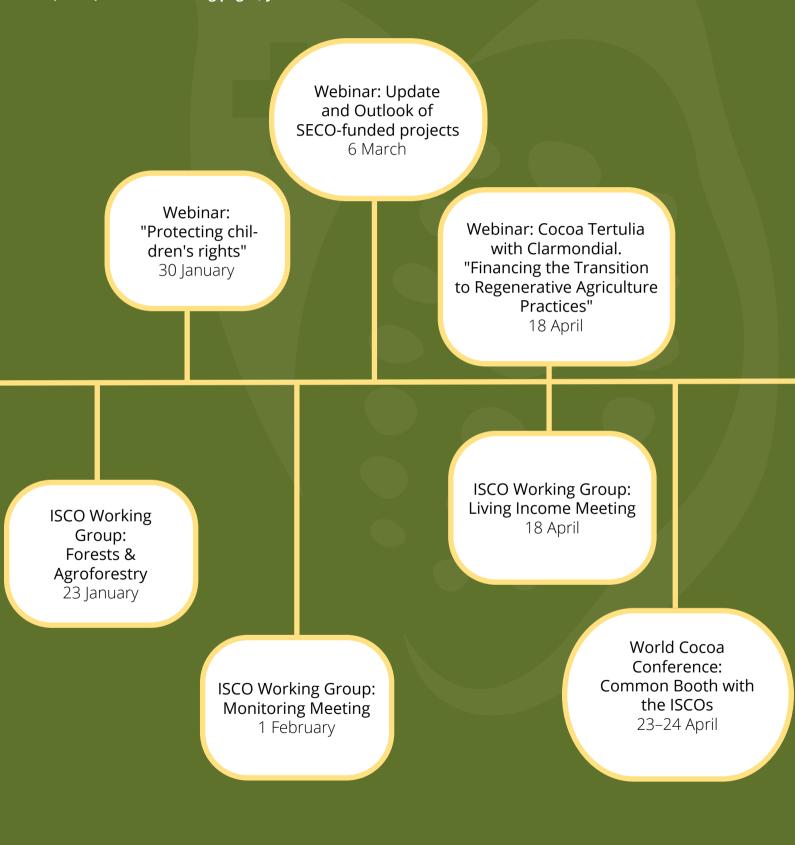


Figure 1 below illustrates a substantial increase in households for which a living income gap was measured, rising from 16,798 in 2022 to 415,076 in 2023. The number of households covered by living income strategies grew by 40% but still represents only 13% of relevant households.



### 3. NETWORK AND KNOWLEDGE EXCHANGE

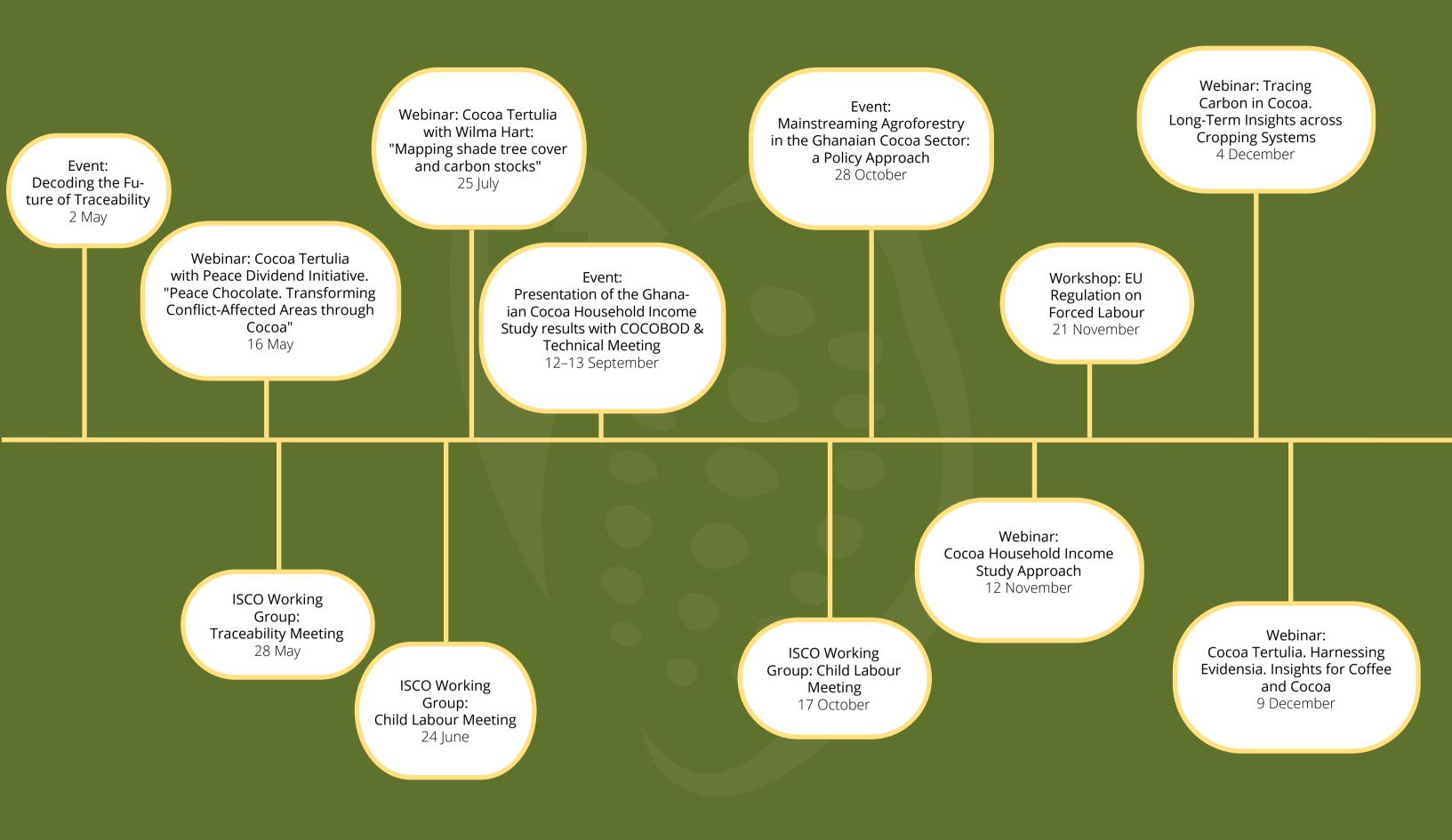
The sustainability challenges in the cocoa sector are numerous and require collaborative efforts and innovative solutions. To achieve measurable impacts, members of the Cocoa Platform participate in internal member events and both working groups of the European Initiatives on Sustainable Cocoa (ISCOs). On the following pages, you will find an overview of our events in 2024.



REPORTING AND INFORMATION

NETWORK AND KNOWLEDGE EXCHANGE

15



NETWORK AND KNOWLEDGE EXCHANGE

NETWORK AND KNOWLEDGE EXCHANGE

16

#### 3.1. General Assembly: "Regulations - Opportunity or Risk?"

The sixth General Assembly Meeting of the Swiss Platform for Sustainable Cocoa took place on 4 July 2024 in Bern and was co-hosted by SECO. It was dedicated to the topic «Regulations in the cocoa sector: opportunity or risk?»

The Cocoa Platform's General Assembly featured key discussions on sustainability and regulations in the cocoa sector. After the statutory part, Helene Budliger Artieda, State Secretary for Economic Affairs (SECO), shared insights on the evolving global economic landscape and its implications for sustainable cocoa production in an engaging discussion.

The discussion on European and Swiss regulations in the cocoa sector showed that it is important for companies in the sector to have a level playing field. It was recognised that the opportunity for regulation is that sustainable business methods could become the new norm. At the same time, some voices addressed the risks. Although the concerns of consumers are being addressed, too little attention is being paid to the consequences for cocoa farmers. When regulations are drawn up and implemented, their possible side effects must be considered.

Ami Bamba, Sustainability Director of the ECOOKIM cooperative from the Ivory Coast, highlighted the perspectives of cocoa producers. She emphasised that the cooperatives are not shying away from the challenges posed by the new regulations, but they need the help of players from the entire value chain to achieve them.

18

Last but not least, a multistakeholder panel discussion on new regulations shed light on opportunities and risks for the Platform's 2030 Roadmap targets. The General Assembly gathered experts from SECO, Swisscontact, HALBA, Valora, and the University of Bern. It was moderated by the Cocoa Platform's President Filippo Veglio.

We need a "smart mix" consisting of regulations and market instruments. The latter can be voluntary approaches that promote sustainable production while also considering the needs of the weakest players in the value chain.

Helene Budliger-Artieda, State Secretary at SECO



### 4. PROJECTS

Investments through projects in cocoa-producing countries are an important part of achieving the goals as outlined in our Roadmap 2030.

The Cocoa Platform manages and monitors funds from the State Secretariat for Economic Affairs (SECO) to cofinance projects of its members. So-called public-private partnerships are an effective means of mobilising and aligning resources. The collaboration with SECO allows us to make a real difference and to promote cooperation and shared learning.

SECO provides a total amount of CHF 13 million for the years 2023 to 2026. The three project financing programmes below promote sustainability along the cocoa supply chain:

#### 1. Sustainable Sourcing Landscape Projects

These projects encourage members to work with a variety of local actors and international organisations from different sectors to address challenges such as poverty, deforestation or child labour in one landscape or region.

#### 2. Innovative Value Chain Projects

These projects support innovative ventures that contribute to a sustainable cocoa sector and measurably improve the livelihoods of cocoa farming households.

#### 3. Peer Learning & Collaboration

These projects foster peer learning, knowledge transfer, and common approaches through joint efforts among members and international partners.

On our website, you can easily <u>filter projects by country and programme type</u>. Try it out and scan the QR code below:

6

Landscape Projects in five countries: Ivory Coast, Ghana, Madagascar, Peru and Colombi

C

Innovative Value Chain Projects in seven countries: Ghana, Ivory Coast, Sierra Leone, Togo, Peru, Honduras and Dominican Republic

C

Peer Learning & Collaboration Projects and small actions

## CHF 1.23 million

Financial contribution of SECO approved in 2024

34

Number of SWISSCO members nvolved in projects in 2024

NETWORK AND KNOWLEDGE EXCHANGE

PROJECTS

#### 4.1. Project: "Prevent the Spread of Cocoa Swollen Shoot Virus Disease"

Sanja Fabrio from SwissDeCode explains why early detection of the virus is crucial, highlighting the importance of our project, <u>Prevent the Spread of Cocoa Swollen Shoot Virus Disease (CSSVD)</u>, for cocoaproducing countries in West Africa.

## Sanja, SwissDeCode has developed a CSSVD detection test in collaboration with Mars Inc. How does this test help?

Sanja Fabrio: The first advantage of the DNAFoil CSSVD test is its speed and reliability. It detects the presence of the virus in a cocoa leaf right on the farm within an hour. This early detection is crucial, especially since infected trees can appear healthy for up to two years while still spreading the disease. The tool is portable, doesn't require cold storage, and can be easily used by cocoa farmers after a short training. By identifying the virus early, farmers can take steps to prevent further spread, protecting their crops and livelihoods.

## Why is it critical to monitor cocoa nurseries for the virus?

**Sanja Fabrio:** Monitoring nurseries should be a starting point because the virus can "hide" in seedlings. If these infected seedlings are planted, they can introduce the disease to new areas, including other countries. To prevent this, it's essential to identify and remove infected seedlings before they reach the farms.

### What steps should be taken if the test identifies infected trees?

Sanja Fabrio: Unfortunately, there's no cure for CSSVD. The only way to stop the spread is through remediation campaigns — cutting down infected trees and replanting with healthy ones. After replanting, creating barriers from a crop that is not a host for the virus or adopting agroforestry practices can help protect the new trees from infection. Agroforestry, where different tree species coexist, reduces tree density, which naturally slows down mealybugs—tiny insects that spread the virus by moving from one cocoa tree to another.

## Does agroforestry benefit the health of cocoa trees?

**Sanja Fabrio:** If managed well, agroforestry creates a more stable environment for the trees, improving soil health and overall resilience. Climate change puts additional stress on cocoa trees, making them more vulnerable to diseases. It also helps slow down CSSVD spread but we must ensure that only non-host trees are planted in an agroforestry system, otherwise, we can unwittingly help mealybugs to spread the virus further.



The DNAFoil CSSVD test is easy to perform and allows anyone out in the fields to quickly test cocoa trees, using their leaves as samples.

#### What makes fighting CSSVD so challenging?

Sanja Fabrio: The biggest challenge is the cost of the remediation campaigns and the difficulty of convincing farmers to cut down trees that may not yet show symptoms. Farmers rely on these trees for their income, even if the yield is reduced. However, if the disease is left unchecked, they risk losing everything, which can lead to deforestation as they seek new land to cultivate. Governments and farmers of cocoa-producing countries both need financial support to manage these remediation efforts, as newly planted trees take years to become productive.

## CSSVD causes significant cocoa harvest losses. What are the broader implications of these losses?

Sanja Fabrio: The latest numbers shared by the Cocoa Health & Extension Division (CHED) in Ghana indicate that the disease has infected 81% of one of Ghana's largest cocoa-growing regions (Western North). The testing performed in other regions in Ghana as well as in Ivory Coast indicates that the disease is spreading rapidly there too, and regions adjacent to identified disease hot spots are at high risk. This not only impacts cocoa prices but also threatens the livelihoods of farming communities. The financial burden on farmers and the government is immense, especially since remediated farms take years to become productive again.

## Fighting CSSVD is one of the six key areas in which the Swiss Platform for Sustainable Cocoa collaborates with Ghana. How is SwissDeCode working with Ghana to combat CSSVD?

Sanja Fabrio: We're working closely with the Cocoa Research Institute of Ghana (CRIG) and the Ghana Cocoa Board (COCOBOD) to roll out our CSSVD test. The first phase of the project has been completed, and we're now discussing the next steps to make the test widely available and affordable. Our goal is to involve both government and private sector partners to ensure that all cocoa cooperatives can benefit from early detection and protection against the virus.

#### Can your project already show signs of success?

**Sanja Fabrio:** While there's no cure for CSSVD, we are working to map the full extent of the virus's spread, beyond just visible symptoms. This information is crucial for implementing a systematic cut-replant-monitor cycle in infected areas. Additionally, integrating best practices like testing nurseries, planting non-host crops, and ongoing monitoring helps contain the virus and mitigates its impact on deforestation. Early detection allows farmers to preserve unaffected parts of their plantations, reducing the need to clear new land for cocoa trees.

## This kind of deforestation driven by the poverty of farmers is a growing concern. What role can actors in the cocoa value chain play in helping to mitigate this issue?

**Sanja Fabrio:** Our tool can act as a risk management system. Cocoa importers need to know if their suppliers' fields are infected, as the presence of the virus is a leading indicator of potential deforestation. This proactive approach could significantly curb farmer-driven deforestation, which needs to be accounted for under new regulations like the EU Deforestation Regulation (EUDR).

## What advice would you give to a member of the Cocoa Platform that sources cocoa from an affected region?

Sanja Fabrio: First, assess whether the virus is present in your supply chain. If it is, understand how far it has spread and work with local authorities, like Ghana Cocoa Board-COCOBOD, to remediate it. All actors in the value chain need to be aware of the conditions in their sourcing areas. This awareness is crucial for both short-term economic forecasts and long-term sustainability. Supporting farmer cooperatives through this process is key to protecting the livelihoods of those who grow the cocoa we depend on.

## What advice would you give to a member of the Swiss Platform for Sustainable Cocoa that sources cocoa from an affected region?

Sanja Fabrio: First, assess whether the virus is present in your supply chain. If it is, understand how far it has spread and work with local authorities, like COCOBOD, to remediate it. All actors in the value chain need to be aware of the conditions in their sourcing areas. This awareness is crucial for both short-term economic forecasts and long-term sustainability. Supporting farmer cooperatives through this process is key to protecting the livelihoods of those who grow the cocoa we depend on.

#### Climate change is a risk for cocoa production. Can science help in identifying the most climateresilient cocoa varieties?

Sanja Fabrio: Yes. We know today that climate change is stressing cocoa trees, making them more susceptible to diseases. Work on developing disease-resistant varieties therefore must consider environmental changes and focus on drought tolerance and root depth. The goal is to find cocoa varieties that are resilient to climate change, resistant to diseases, and productive. If we can achieve this, it will be a game-changer for the sector. But it's a long-term effort that requires collective action. The time to act is now, and while we don't have all the answers yet, we have the tools to make a real difference.

PROJECTS
PROJECTS

#### 4.2. Ghana Household Income Study

In November 2024, the Cocoa Platform, together with the Ghana Cocoa Board (COCOBOD) published a comprehensive study on the incomes of cocoa-producing households in Ghana.

How much does a cocoa farming household in Ghana really earn? The Cocoa Platform partnered with COCOBOD and the Swiss research institutions FiBL and HAFL to find out. As part of this joint effort, researchers surveyed 600 cocoa farming households and conducted 22 focus group discussions during the 2022/23 cocoa harvest season.

The study had five key objectives:

- (1) Estimating average household income levels.
- (2) Measuring the living income gap.
- (3) Determining the Living Income Reference Price (LIRP) at the farmgate level.
- (4) Assessing key determinants of household income.
- (5) Evaluating the effects of SWISSCO-supported sustainability interventions on cocoa household income.

Using methodologies from the Living Income Community of Practice and the Cocoa Household Income Study approach, the study revealed that cocoa farmers in Ghana earn an average annual income of GHS 24,814 (USD 2,021), meaning that 91% of surveyed households earn below the adjusted Living Income Benchmark of GHS 52,970 (USD 4,315).

Despite farmgate price increases in April and September 2024, cocoa prices remain insufficient to close the income gap, highlighting the ongoing economic challenges

cocoa farmers face – particularly female-headed house-holds, who are even more vulnerable. The study also identified key factors influencing income levels, including years of farming experience, the use of improved cocoa varieties, and higher input but low labour costs, which boost productivity. While higher productivity is linked to increased income, larger farm sizes were found to correlate negatively with net income per hectare. Additionally, income diversification plays a crucial role in reducing financial vulnerability.

When assessing the impact of three SWISSCO-supported projects—KOA, Akwaaba, and Sankofa —the farmers reported positive effects not only on income but also on health, community well-being, and education. To improve incomes, the study recommends a 30% increase in farmgate prices while enhancing the productivity of farms through promoting better farming practices, optimising input use, and strengthening producer organisations. Supporting female-headed households and enhancing income diversification are also key to a sustainable cocoa sector.

Check out the full <u>Study Report</u> to learn more about improving cocoa household incomes in Ghana or access it by scanning this QR code:





### 5. International Collaboration

#### 5.1. Policy Dialogue with Cocoa-Producing Countries

Dialogue with producing countries involves engaging government representatives to strengthen collaboration on sustainability, aligning activities with farmers' needs through local civil society, and exchanging knowledge with research institutes to leverage local expertise. These interactions prioritise listening, learning, and sharing insights with our members to drive meaningful progress towards a more sustainable cocoa sector. In 2024, the Cocoa Platform continued to work closely with partners in cocoa-producing countries, focusing on Ghana and Peru.



#### **Ghana: Advancing Agroforestry in the Cocoa Sector**

As part of the Memorandum of Understanding (MoU) Switzerland signed with Ghana, a Joint Work Plan promotes sustainable cocoa in six key areas. The plan includes tackling Cocoa Swollen Shoot Disease, improving farmers' income, addressing child labour, supporting the national cocoa traceability system, and expanding health insurance for cocoa farming families. A strong focus of the Joint Work Plan is on Dynamic Agroforestry (DAF), with knowledge exchange and demonstration plots at CRIG advancing resilient cocoa farming.

In this context, the Swiss Ambassador to Ghana, Simone Giger, and the CEO of Ghana's Cocoa Board (COCOBOD), Joseph Boahen Aidoo, visited the dynamic agroforestry (DAF) demonstration plots at the Cocoa Research Institute of Ghana (CRIG) in Tafo on 22 February 2024 (see picture above). The visit highlighted the progress made under our flagship landscape project Sankofa 2.0, which promotes climate-friendly cocoa production, income diversification, and biodiversity conservation through dynamic agroforestry (DAF) farming methods that are widely considered best practices.

The first phase of Sankofa demonstrated the potential of dynamic agroforestry: nearly 400 farmers established 215 hectares of DAF plots, generating close to USD 300,000 in additional farmer income. Sankofa 2.0 now aims to scale up these results, improving the livelihoods of over 3,500 cocoa farmers and benefiting 17,000 community members.

PROJECTS INTERNATIONAL COLLABORATION 23

During the field visit, Ambassador Giger emphasised the importance of partnerships in driving sustainable change: "I am delighted to see this public-private collaboration between Ghana and Switzerland, working towards systemic change for a sustainable future for farming communities and ecosystems alike." She also highlighted the broader impact of the initiative: "The joint development, testing, and improvement of innovative agricultural practices not only enhance cocoa production but also promote environmental sustainability, biodiversity conservation, and higher living incomes for farmers."

This high-level visit reaffirmed Switzerland's commitment to supporting sustainable cocoa supply chains and strengthening cooperation between Swiss and Ghanaian partners for a resilient cocoa sector.

On 28 October 2024, the Cocoa Platform, in collaboration with the Swiss Embassy in Accra and HALBA, convened a key multi-stakeholder discussion on mainstreaming agroforestry in Ghana's cocoa sector in Accra. The event brought together 80 participants from government, the private sector, civil society, and research, fostering a lively exchange on how to accelerate the adoption of agroforestry practices.

The discussions underscored the numerous benefits of cocoa agroforestry for farmers while highlighting the need for more and better data to strengthen its business case. A critical takeaway was the importance of kickstart financing to facilitate the transition to the promising Dynamic Agroforestry (DAF) model, which is already being implemented by Sankofa project partners.

The event also reaffirmed the importance of strengthening Ghana's multi-stakeholder approach to mainstream agroforestry. Key priorities include aligning objectives and monitoring progress effectively, fostering peer learning to share best practices and innovations, and strengthening public-private partnerships to drive collaborative solutions. Additionally, enhancing the policy framework is essential to creating an enabling environment for widespread agroforestry adoption.





#### Peru: Launch of Phase II of our Landscape Project at the Salón del Cacao y Chocolate

As the invited country at the Peruvian XV Salón del Cacao y Chocolate in July 2024, Switzerland had the opportunity to showcase its efforts in sustainable cocoa.

A major highlight during this major event was the launch of Phase II of our Sustainable Cocoa Landscapes Project in Peru. This project helps to protect the country's forests. It also supports cocoa farmers to comply with EU directives such as the Regulation on Deforestation-Free Products (EUDR).

The Swiss delegation that was present at the event included representatives of the Swiss Embassy in Peru, members of the Cocoa Platform such as Cocoasource, Chocolat Bernrain, Camille Bloch, the Zurich University of Applied Sciences (ZHAW), the Research Institute of Organic Agriculture (FiBL), the Bern University of Applied Sciences (BFH), Chocosuisse, Koltiva, Nestlé, and Swisscontact.

In this context, Swiss Ambassador Paul Garnier led a field mission to the cocoa-producing region of San Martín, where our landscape project is based. The mission comprised 17 participants from the private sector, academia, SECO, and the Swiss Embassy. The group was able to build momentum for the shared journey towards greater sustainability in the cocoa value chain.

The exchange with farmers and farmer organisations in the region of San Martín clearly showed that several sustainable practices are ready to be scaled up within the framework of our project Sustainable Cocoa Sourcing Landscapes 2.0.

INTERNATIONAL COLLABORATION

24

25

### 6. ORGANISATION

The Swiss Platform for Sustainable Cocoa is a multi-stakeholder initiative organised as a non-profit association. Solutions are developed in a participatory process and decisions are made by our members at the **General Assembly.** 

#### 6.1 Structure of the association

The day-to-day business of the association is managed by the Coordination Office in Bern. It is responsible for the management of the activities, monitoring, reporting, and communication and constitutes the hub between the members, the board, the national and international partners and the public. The board, composed of an independent president and representatives of the member sectors, is entrusted with the strategic management of the association. Due to the large constituent size of their sector, the chocolate manufacturers and cocoa traders (sector A) are represented by two board members.

All members of the Cocoa Platform come together annually for the General Assembly. During the assembly, decisions are made by the full members (associated members have no voting rights); elections are held, and key players share their experiences and provide updates on the latest findings regarding selected topics.



Filippo Veglio

Head of Social & Environmental Sustainability at UEFA

**President** 

**Alessa Homann** 

West Europe

Sustainability Business

Development Manager at Barry Callebaut

> **Board member** Sector A: **Manufacturers** and traders



Roger Wehrli

Director at

**Board member** Sector A: and traders



CHOCOSUISSE

Manufacturers



**Monica Rubiolo** 

Head of Trade

Promotion

at State Secretariat for

Economic Affairs SECO

**Board member** 

Sector C:

**Public sector** 

(non-voting observer)

**Christian Robin** 

**Executive Director** 

**Coordination Office** 



**Yannick Lhommel** 

Business Development Manager

at Fairtrade Max Havelaar

**Board member** 

**Sector D:** 

NGO

**Nicoletta** Lumaldo

Manager Innovation and Member Engagement

**Coordination Office** 



Christoph

**Oberlack** 

Professor

at Centre for

Development and

Environment (CDE)

University of Bern

**Board member** 

**Sector E:** 

**Research institutions** 

**Fabienne Bauer** 

Manager Monitoring and Climate

**Coordination Office** 



**Petra Heid** 

Head of Sustainability at HALBA / Coop Group

> **Board member Sector B: Food retailers**



Joël Frei

Communication Officer

**Coordination Office** 



**Esther** Waldmeier

Manager International Partnerships

**Coordination Office** 



Joseph Bandanaa

Ghana Country Lead

**Coordination Office** (Ghana)

**ORGANISATION ORGANISATION** 

#### 6.2. Our members

The Swiss Platform for Sustainable Cocoa counted 100 members at the end of 2024. The members of the Platform are organised in six sectors: chocolate traders, manufacturers and importers; food retailers; the public sector (with the State Secretariat for Economic Affairs SECO as the only member); non-profit organisations; research institutions; and associated members (see figures 7 and 8). Each member sector represents a stakeholder group along the cocoa value chain. The associated members are international organisations that are active in the cocoa sector.

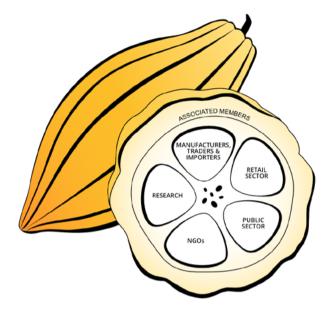


Fig. 7: The member sectors of SWISSCO each represent a stakeholder group along the cocoa value chain.

#### **New members in 2024**

The Swiss Platform for Sustainable Cocoa welcomed 7 new members in 2024, from all the different sectors. The Platform counted 100 members at the end of 2024: 85 full members and 15 associated members.

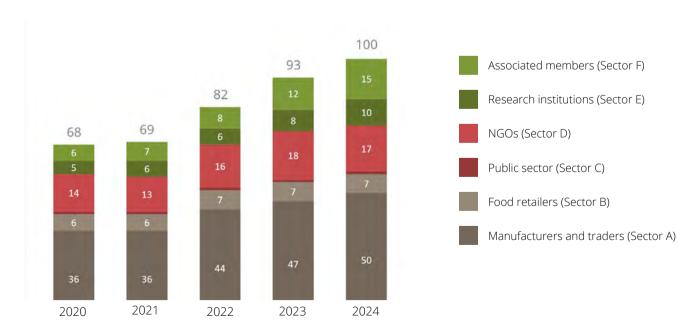


Fig. 8: Member growth and distribution by member sector since 2020.

#### Overview of Members of the Swiss Platform for Sustainable Cocoa

#### Sector A: Manufacturers and traders

























prose











































































#### **Sector B: Food retailers**









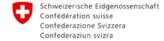






ORGANISATION ORGANISATION

#### **Sector C: Public sector**



Federal Department of Economic Affairs, Education and Research FAFR

Swiss Confederation

### Sector D: Non-Governmental Organisations (NGOs)

















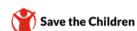


















#### **Sector E: Research institutions**





















#### **Sector F: Associated members**





















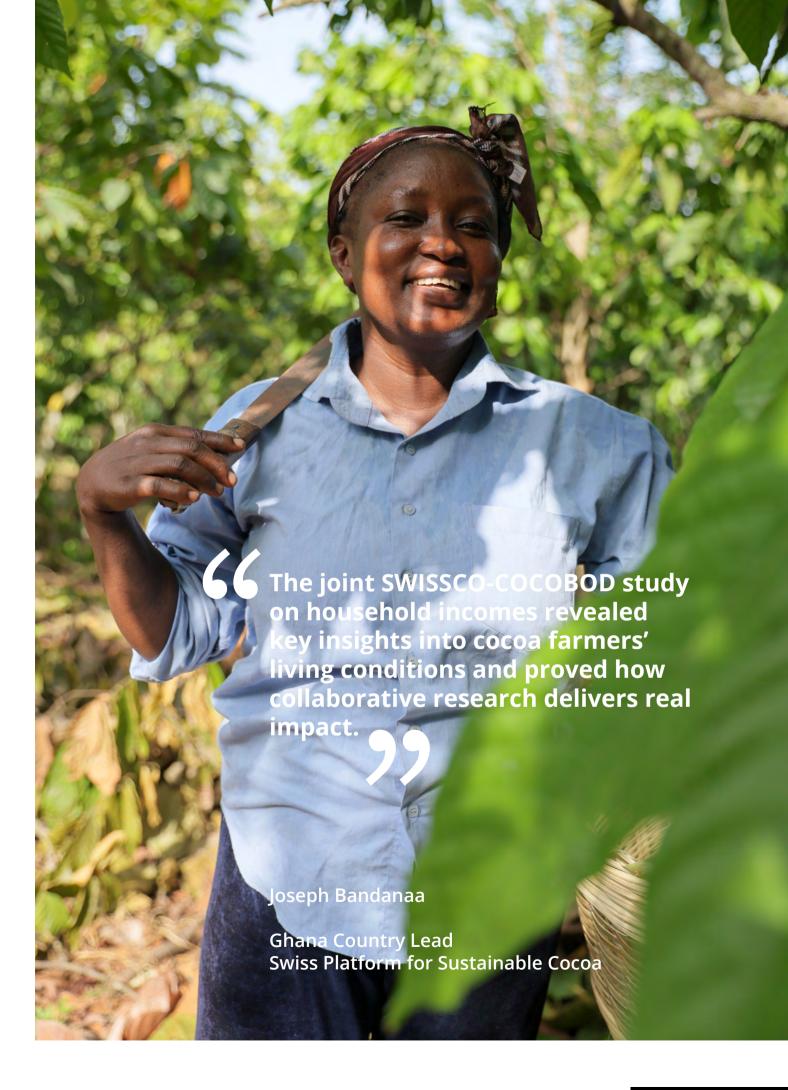












**ORGANISATION** 31

## 8. FINANCES

### Balance sheet

| Assets                          | CHF       |
|---------------------------------|-----------|
| Cash Bank EEK                   | 128,591   |
| Cash Bank Raiffeisen (Projects) | 1,003,491 |
| Receivables                     | 39,500    |
| Total assets                    | 1,171,582 |

| Liabilities                          | CHF       |
|--------------------------------------|-----------|
| Payables                             | 22        |
| Other short-term liabilities         | 26,688    |
| Accrued expenses and deferred income | 860,500   |
| Current liabilities                  | 887,210   |
| Capital                              | 281,471   |
| Surplus of the year                  | 2,901     |
| Organisational capital               | 284,372   |
| Total liabilities                    | 1,171,582 |



### Statement of operations

| Income                                  | CHF       |
|---|-----------|
| Membership fees                         | 293,000   |
| Project support service fees by members | 160,337   |
| Project support service fees by SECO    | 200,000   |
| SECO contribution projects (2023–2026)  | 864,500   |
| Total income                            | 1,517,837 |

| Expenditures  | CHF        |
|---|------------|
| Staff costs   | -511,295   |
| Expenses Board  | -24,000    |
| Personnel expenses – office                               | -535,295   |
| Office costs  | -45,485    |
| Communication   | -10,371    |
| External consulting services                              | -6,244     |
| Events  | -12,800    |
| Logistics, general and travel expenses                    | -39,979    |
| Other operating expenses – office                         | -114,879   |
| Innovative Value Chain Projects Fund (as of 2023)         | -313,743   |
| Peer Learning and Collaboration Fund (as of 2023)         | -550,767   |
| Other operating expenses – projects/peer learning network | -864,510   |
| Total expenditures  | -1,514,683 |
| Operating result  | 3,154      |
| Financial income  | -          |
| Financial expenses  | -252       |
| Surplus of the year                                       | 2,901      |

FINANCES

32

#### **IMPRINT**

#### **Publisher**

Swiss Platform for Sustainable Cocoa Gutenbergstrasse 14 3011 Bern Switzerland

Phone +41 31 311 65 11 info@kakaoplattform.ch www.kakaoplattform.ch

#### **Design concept and layout**

Selina Mostosi, <u>www.sm-art-polydesign.ch</u> Joël Frei

#### **Auditor**

**BDO** Switzerland

#### Printer

<u>bacher-onlinedruck.ch</u> Climate neutral and printed on 100 % recycled paper.

#### **Photographs**

Lenin Quevedo/SWISSCO (cover image, pages 4, 9, 32 & rear page)
Dennis Nipah/SWISSCO/Fairpicture (pages 22 & 31)
SWISSCO Coordination Office (pages 18, 24, 25, 26 & 27)

The photographs on the following pages by courtesy of:
Simon Yersin/PRONATEC (page 13)
Sanja Fabrio/SwissDecode (page 20)
Ghana Cocoa Board COCOBOD (page 23)

#### To quote this report

Swiss Platform for Sustainable Cocoa (SWISSCO): Annual Report 2024

Access our annual reports by clicking this link, which will lead you to our website, or scan the QR code below.



#### Who are we?

The Swiss Platform for Sustainable Cocoa (SWISSCO) is a multi-stakeholder initiative bringing together 100 members from the cocoa value chain. These members include chocolate manufacturers and traders, retailers, NGOs, research institutions, and the Swiss Government, represented by the State Secretariat for Economic Affairs (SECO).

Together, our members account for more than 90% of Switzerland's cocoa imports. Our association aims to actively improve the living conditions of cocoa farmers, protect natural resources, and promote biodiversity in cocoaproducing countries.

Launched in 2017, the Cocoa Platform is financed by member fees and contributions from SECO to strengthen public-private partnerships. This funding enables the implementation of projects that drive real innovation in the sector and create tangible impact, thus linking the high-quality reputation of Swiss chocolate with sustainability.



**IMPRINT** 





