

# SOCIAL VALUE FROM FOOD PRODUCTION AND FARMING PUTTING FARMERS HIGHER UP THE VALUE CHAIN



Sophi Tranchell MBE  
Managing Director,  
Divine Chocolate Ltd



# Why be a cocoa farmer?



- Average income from cocoa – 1000 cedis or 461 Euros
- Outgoing costs: food, school, fuel + farm inputs, equipment
- Not surprising next generation aspires to be nurses, teachers, seamstresses, hairdressers – anything but cocoa farming
- If we want to carry on enjoying chocolate, cocoa farmers need sustainable remuneration – enough to invest in their farms and their families + a fairer share of the value they are creating







The amazing story of the cocoa farmers who voted to start their own chocolate company



# Kuapa Kokoo the good cocoa farmer



A cooperative of Ghanaian Cocoa Farmers

- Established in 1993 in response to liberalisation of the market
- Set up on Fairtrade principles and democratically organised
- Started with 2,000 members in 22 village societies
- Now over 80,000 members in 1,257 village societies





# Divine is born



- 1993 semi-liberalisation + first Fairtrade cocoa out of Ghana
- In 1997 Kuapa Kokoo farmers vote to set up their own chocolate company
- In 1998, Divine Chocolate launched – the first mainstream Fairtrade chocolate company

## DIVINE MISSION

- To grow a successful **global farmer-owned chocolate company** using the amazing power of chocolate to **delight** and **engage**, and bring people together to create **dignified trading relations**, thereby **empowering** producers and consumers





## Four income streams

- Cocoa income (world price or \$2000 per tonne Fairtrade minimum)
- Fairtrade premium (\$200 per tonne)
- Producer Support & Development (2% of Divine annual income)
- 44% of distributed profit



# What success looks like



## DIVINE DELIVERS FOUR INCOME STREAMS TO KUAPA KOKOO

2013-14

Tonnes of beans	Income	Premium	PS&D
714	\$1,928,000	\$142,800	£165,000

- To date
- In addition to income and Fairtrade premium for the cocoa, Divine has invested over £2m towards Producer Support and Development projects (including model farm, women's literacy, and radio outreach programmes)
- Kuapa Kokoo has also received over £205,000 in distributed profit

**SIGNIFICANT BENEFITS TO FARMERS**

## What will make a sustainable difference?



- Focus on continuing supply does not necessarily address remuneration and control
- High world prices does not necessarily mean higher income for farmers
- Income from higher volumes offset by higher input and labour costs

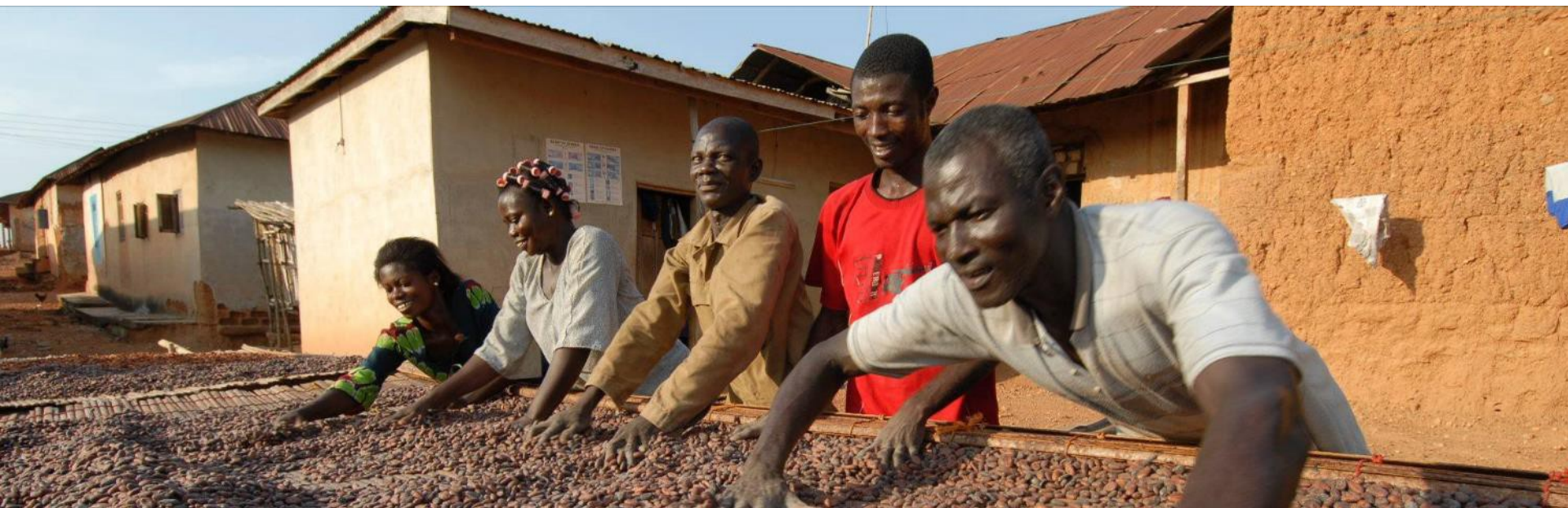




# Cocoa farmers will see a future in growing cocoa if...



- Sustainable remuneration – enough to live on, improve farm, educate family and plan for the future
- Opportunity to add value to cocoa and/or share the value of chocolate
- Skills to adapt & diversify + improve quality & yield of crop
- Part of a community all pulling together – sharing facilities, knowledge and accountability (not all migrating to cities)
- In control of their own business



# Together we can make cocoa farming worthwhile



- Trading relationships with smallholder farmers which deliver sustainable income, knowledge and power
- Encouraging a future generation of cocoa farmers
- An idea that delights and engages consumers
- A world community that connects producers with consumers





A world where chocolate can  
be celebrated and cherished by  
**EVERYONE**



Thank you