

POWER OF DATA

Traceability solutions in cocoa to contribute to the Sustainable Development Goals (SDGs)

by Michael Stamm/Cathrine Cornella, Gebana AG



Weltweit ab Hof



To what sustainable development goal do you deliver?

Mainly SDG 1 “No Poverty” and SDG 10 “Reducing inequalities”.



What was the situation?

Cocoa farmers in Togo still receive too little from their cocoa bean sales to achieve a “living income” (according to our own calculations). This is caused by small plots of land on the one hand, and by too low farmgate prices for the cocoa beans on the other.

What did you do?

Gebana introduced the so-called Gebana model in 2020 in Togo whereby 10% of sales revenue from cocoa and chocolate products through Gebana’s online shop is paid back to the farmers. This revenue share is distributed directly to all cocoa farmers that supplied cocoa beans to Gebana in the previous season. It is done once a year and payment is mainly done via mobile transfers to increase accountability and traceability. Phone numbers are checked for each farmer before any transfer and farmers are informed about the amount they are going to receive. The transfer is then done via mass upload from the head office while our staff and the farmers are there. Farmers can instantly see the credited amount.

Traceability is key to being able to make those payments directly to the farmers who supplied the cocoa. Each farmer is registered in Gebana’s app, Cropin, with details like location, phone number, crops planted, and volumes sold.

What are the results?

Farmers received an additional premium for the cocoa sold to Gebana in 2021 which amounts to EUR 75 per farmer on average (equal to about 1.5 times the national monthly minimum wage). Premium amounts are linked to the organic certification status and volumes supplied.

566 cocoa farmers received a Gebana model premium for the 2021 season (premium paid out in spring 2022) and 80% of them via mobile payment.

This amount helps to decrease the gap between cocoa bean revenue at prevailing market prices and the living income an average Togolese farmers would have to achieve from his cash crop to sustain her/his family. Therefore, it also helps reducing inequalities in income distribution within Togo as the poorest farmers experience an increase of their income.

Who was involved and how?

Most important is that we know, and have contacts, to every individual farmer supplying cocoa to Gebana. Gebana field staff and the agricultural department are heavily involved in managing the traceability systems and calculating the individual amounts based on volumes delivered and organic status (i.e., organically certified or in conversion). Head office in Switzerland is calculating the total premium amount for Togolese cocoa farmers based on sales revenues in the applicable calendar year and transferring it to Gebana, Togo.

How could the solution be scaled?

Gebana plans to extend the model to most of its suppliers. It is crucial to have the traceability of product supplied down to the individual farmer to be able to distribute premium amounts directly to those farmers. Ideally, Gebana can administer payments to farmers directly from the Cropin app (some tests have already been successful) in future and without having to rely on field teams on the ground to supervise and organise premium payments. This would decrease organisational expenses and is even more important for suppliers without Gebana shareholding.

In the future, Gebana wants to win B2B customers to support this model as well to fully close the gap to the living income and to ensure meaningful premium payments for farmers when lots of produce is going towards wholesale instead of into Gebana’s direct sales.

This project is part of SWISSCO’s innovative cocoa value chain interventions supported by SECO.