

News Release

Making cocoa farming more sustainable and profitable for farmers Barry Callebaut, IFC, and the Sustainable Trade Initiative IDH partner to provide credit for 'productivity packages' to farmers and co-operatives

- **USD 24 million benefits generated to smallholders as a result of investments**
- **Reaching 103,000 farmers by 2020/21 season**
- **23% expected income increase for farmers at year two**
- **All farmers in program will open savings accounts (4'000 already opened)**

Zurich/Switzerland – August 18, 2016 – In a ground breaking partnership, Barry Callebaut, the world's leading manufacturer of high-quality chocolate and cocoa products, IFC, a member of the World Bank Group, and IDH, the Sustainable Trade Initiative, announce a risk sharing partnership of USD 9 million to cover up to 103,000 smallholder cocoa farmers in Cote d'Ivoire by 2020.

Barry Callebaut, with support from IFC and IDH, will provide in-kind credit to farmers in the form of inputs and farm services. After a few successful years, farmers will have a positive operational and financial track record and thus become bankable, making it possible for local financial institutions to provide loans directly to farmers, a giant leap forward for cocoa farm financing.

This program is in-line with Barry Callebaut's commitment to Cocoa Action. Cocoa Action is a voluntary industry wide strategy on cocoa sustainability, convened by the World Cocoa Foundation (WCF), to improve cocoa farmers' productivity, profitability and livelihoods. Two productivity packages will be provided directly to farmers and farmer cooperatives on a credit basis. The basic package will provide training in areas like pruning and crop protection and the second advanced package in addition provides fertilizers to professional and credit worthy farmers, with trees under 20 years of age. Crucially, both packages will be supported by on-farm individualized coaching through Barry Callebaut accredited agents trained on business management, agronomy and adult education.

To receive the productivity package on credit, farmers are assisted in opening a bank account where they are required to save part of the package value up-front. The accounts are opened at [Advans](#), one of the leading microfinance institutions (MFIs) in West Africa.

This combined plan will empower farmers and transform them into entrepreneurs with a positive operational, financial and profitability track record. The goal is eventually to increase the comfort of local and international financial institutions to independently invest in these types of high-impact programs.

Antoine de Saint-Affrique, CEO, Barry Callebaut, comments: "Sustainability is at the heart of our business model and values. The start of this initiative represents an important step in promoting professional, sustainable cocoa farming and in enabling cocoa growers to develop from being subsistence farmers into small entrepreneurs. Barry Callebaut is proud to lead the efforts to professionalize cocoa farming, and is excited about the support of our partners in this endeavour."

IFC Director for Manufacturing, Agribusiness and Services, Alzbeta Klein said “Demand for cocoa is rising, but supply has not kept pace as farmers—many of them working just two to three hectares—must cope with typical agricultural risks such as weather and limited access to credit. This partnership between IFC, Barry Callebaut and the Netherlands Sustainable Trade Initiative will help farmers in Cote d’Ivoire gain access to credit and training that will enable them to upgrade operations and become part of a value chain linking them to cocoa buyers and global chocolate consumers.”

Joost Oorthuizen, Executive Director of IDH: “IDH is really excited about this step forward. By de-risking investments we will be able to amplify our impact at the farmer level. In this program we expect that by leveraging public funding with private sector contributions at a ratio of more than 1:10, 103,000 farmers will increase their bankability and ultimately the quality of their livelihood.”

About Barry Callebaut Group (www.barry-callebaut.com):

With annual sales of about CHF 6.2 billion (EUR 5.6 billion / USD 6.6 billion) in fiscal year 2014/15, the Zurich-based Barry Callebaut Group is the world’s leading manufacturer of high-quality chocolate and cocoa products – from sourcing and processing cocoa beans to producing the finest chocolates, including chocolate fillings, decorations and compounds. The Group runs more than 50 production facilities worldwide and employs a diverse and dedicated global workforce of more than 9,000 people.

The Barry Callebaut Group serves the entire food industry, from industrial food manufacturers to artisanal and professional users of chocolate, such as chocolatiers, pastry chefs, bakers, hotels, restaurants or caterers. The two global brands catering to the specific needs of these Gourmet customers are Callebaut® and Cacao Barry®. The Barry Callebaut Group is committed to sustainable cocoa production to help ensure future supplies of cocoa and improve farmer livelihoods. It supports the Cocoa Horizons Foundation in its goal to shape a sustainable cocoa and chocolate future. Read more about Barry Callebaut’s sustainability initiatives in the 2014/15 Chocolate Sustainability Report. .

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About IFC

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with 2,000 businesses worldwide, we use our six decades of experience to create opportunity where it’s needed most. In FY16, our long-term investments in developing countries rose to nearly \$19 billion, leveraging our capital, expertise and influence to help the private sector end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org.

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About IDH (<http://www.idhsustainabletrade.com/>):

IDH convenes companies, CSOs, governments and others in public-private partnerships. Driving the joint design, co-funding and prototyping of economically viable approaches to realize green & inclusive growth at scale in commodity sectors and sourcing areas. Approaches are designed to drive sustainability from niche to norm, delivering impact on the Sustainable Development Goals. Impact focuses on deforestation, living incomes and living wages, working conditions, toxic loading and gender. IDH is supported by multiple European governments, including institutional donors: SECO, DANIDA and BUZA and over 500 companies, CSOs, financial institutions, producer organizations and governments in 11 sectors and 11 landscapes in over 50 countries worldwide.

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