

# INTERNATIONAL CONFECTIONERY

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## THE BIG INTERVIEW

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International Confectionery sits down Tom Adams Co-Founder and Chief Strategy Officer, 60 Decibels



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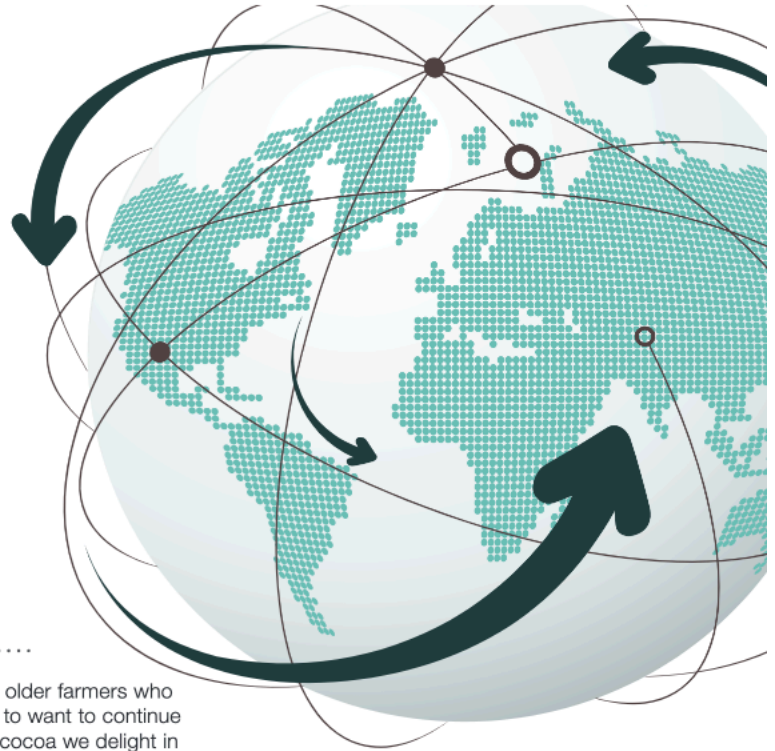
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Technical Editor Clay Gordon examines Barry Callebaut's 2nd gen chocolate

# SUPPORTING COCOA FARMERS BEST

International Confectionery sits down with Tom Adams, Co-Founder and Chief Strategy Officer, 60 Decibels, to learn about their research and efforts supporting cocoa farmers



## PLEASE INTRODUCE YOURSELF AND WHAT YOU DO?

I'm the Co-Founder and Chief Strategy Officer of 60 Decibels. We're a global impact performance measurement firm that uses rapid yet robust social research methods to help our clients understand and improve the social impact they make.

My Co-Founder Sasha Dichter and I like to say that we divide our work as follows. As CEO he runs the 'now' of the business, and as CSO I run the 'next'. This means I lead our product and market development. Of late this has increasingly been focused on global agricultural supply chains, from which we are seeing growing interest.

## AS A SPEAKER FOR CONFECTIONERY LIVE TAKING PLACE IN JANUARY CAN YOU LET US KNOW WHAT YOUR SESSION WILL BE ON? WHAT ARE SOME OF THE KEY LEARNING POINTS ATTENDEES CAN TAKE AWAY?

The session will go deep into the wellbeing of farmers in the cocoa sector. Specifically, we will discuss why and how to genuinely understand if cocoa farmers are thriving or merely surviving in today's global supply chains, with chocolate as a case study.

This matters more than ever as social impact in this area has focused on identifying and eliminating human rights violations, which is hugely important. Sustainability of today's agricultural supply chains increasingly depends on the wellbeing of farmers.

Most of the cocoa comes from two West African countries (Cote D'Ivoire and

Ghana), where older farmers who need a reason to want to continue producing the cocoa we delight in consuming. Understanding farmer wellbeing is also key to reducing human rights issues such as child labour.

While cocoa industry players have built admirable programs and certifications aiming to uplift the lives of farmers, success is generally measured in metrics of intention, not impact – for instance "farmers trained" or "programs run" say little about whether a farmer's lived experience has materially improved or not.

There are still no widely adopted data-standards that compare and contrast the actual performance of these programs from the farmers' perspective, limiting the sector's ability to address social challenges and lift farmer wellbeing. We have a plan to help change that. At Confectionery Live, I'll be delving into lessons and insights from the development and initial deployment of 60 Decibels' Farmer Thriving Index.

## WHAT ARE THE BIGGEST CHALLENGES YOU'VE SEEN FACING COCOA PRODUCTION AND COCOA FARMERS? HOW DO YOU THINK THE INDUSTRY CAN RESOLVE THESE CHALLENGES?

The biggest problem that remains among cocoa is poverty amongst smallholder producers, as well as the even poorer farm labourers that they employ. This is the underlying cause of all the other social and environmental challenges facing the cocoa sector – from child labour practices to deforestation.

This isn't a simple issue to address. To start with, all farmers need to earn a minimum living income, ideally more. Improving farming yields is important to achieving this, but earnings are predominantly a question of prices paid. The price a farmer gets for their cocoa beans is complex: it's a function of local negotiation between buyers and sellers, often including government agencies, as well as what end-consumers are willing to pay.

Corporations, trading companies, and other players in the cocoa sector have increasingly recognised these challenges. Certification programs are currently the go-to tool to show consumers which products deploy better policies and practices which aim to create better outcomes for farmers.

However, the rising tide of consumer expectation will increasingly make labelling and certification without tangible supporting data an increasingly risky strategy. Consumers are wary of purpose and green washing and frankly most sectors' have insufficient real data to legitimise the social claims that are being made through marketing materials. We might call this a "social transparency gap". Forward-thinking brands can see this as an opportunity. They can gather and share proper social impact data.

## FROM WHAT YOU'VE SEEN, ARE



**COCOA FARMERS AND LARGE MANUFACTURERS COLLABORATING ENOUGH TO ADDRESS ISSUES SUCH AS PAY AND CLIMATE CHANGE?**

This is a tricky question. To start with, it's not the responsibility of a farmer to address pay or climate change issues. Whether large manufacturers are doing enough is hard to tell without the data.

Large manufacturers have and will continue to spend a huge amount trying to address these issues, which is highly commendable. Take Mondelez's recent announcement to spend a total of \$1bn on Cocoa Life, its own in-house certification program.

We need the story of these announcements to be more than dollars spent, targets and intentions, but rather about hard-nosed data showing their efficacy too.

**WHAT HAS 60 DECIBELS DONE TO BEST SUPPORT COCOA FARMERS?**

We're a data company, so I want to stress first and foremost that we are in service of other people's efforts to support cocoa farmers. We're not the hero of this story, but rather it's the companies, big and small, that take action on the data that are.

To gather that data, over the past eight plus years, we've been interviewing real people – those who do, or don't benefit from products, services and programs aimed at creating a better lived experience. We've done this by building a network of researchers in close to 80 countries around the world, who deliver person-to-person phone based social research surveys. By asking standardised questions, we've built geography- and sector-specific benchmarks from more than 200,000 customer interviews, covering multiple



industries including agriculture, financial inclusion, and energy.

We've done a lot of work in the agriculture sectors, mostly for impact investors and development finance institutions such as FMO, Bill, Global Partnerships, Omidyar Network and Mercy Corps. Most recently, we've deepened our work to support cocoa farmers by an independent panel of cocoa farmers in Ghana and deploying our Farmer Thriving Index to measure wellbeing based on themes including living income, financial resilience, food security, and farmers own perspectives of sustainability. We hope to grow the use of this instrument in support of all organisations working to support cocoa farmers, as well as farmers in other sectors.

**DID YOU FACE ANY CHALLENGES IN COLLECTING DATA RELATED TO THE WELLBEING OF COCOA FARMERS? DO YOU BELIEVE DATA SHOULD DRIVE DECISION-MAKING FOR THE CONFECTIONERY INDUSTRY?**

The process of building the Farmer Thriving Index in Ghana wasn't easy, and truthfully remains a work in progress. We needed to recruit an independent and representative panel of cocoa farmers explaining exactly what the research was for whilst considering appropriate incentives to participation; design a mixed-methods measurement tool that was not too simple so that the data was superficial, but not too onerous on the farmer to be impossible to scale – a goldilocks survey if you will. We also needed to train our researchers to diligently interview the farmers in multiple languages and then analyse both quantitative and qualitative data into results that were both easy to communicate and understand and actionable – the index itself.

What gives us confidence is that we have built and scaled breakthrough similar measurement instruments for other social sectors including microfinance .

**ANYTHING ELSE TO NOTE?**

From a personal perspective, for social impact data-geeks of the world, this is such an interesting time to be working on these issues. Through the rise of corporate responsibility, ESG and impact investing there has been an unprecedented growth in the interest of targeting and increasingly measuring social impact. We've come a long way from the days of markets-know-best capitalism, during which the famous (or perhaps infamous) economist Milton Friedman quipped that the sole social responsibility of business was to increase its profits.

And yet, at the same time, we need to be realistic. Measurement of impact can too often be wafer-thin, with glossy infographics in the place of rigorous data and analysis. It's time that intentions are backed by information. **IC**