Antonie C. Fountain & Friedel Huetz-Adams

Cocoa Barometer 2025

Executive Summary

voice COCOA NETWORK

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of light, it was the season of darkness, it was the spring of hope, it was the winter of despair."

Charles Dickens, A Tale of Two Cities

voice
COCOA NETWORK

Cocoa Barometer

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2025

1 Introduction

Since the last Cocoa Barometer was released, the cocoa sector has gone through some of its most turbulent times, ever.

Massive leaps forward have been made in regulatory developments, in sector wide collaboration, in visibility of rightsholders. It is the best of times.

Massive struggles have made the market more volatile than anyone in working memory has lived through. Crop shortages have caused once-in-a-generation price increases, ironically coupled with extreme financial woes for farmers with failed crops, due largely to the disastrous effects of global warming. Volatility and high prices have made corporations very nervous and farmers very poor. It is the worst of times.

Data is being shared in ways we haven't seen before in cocoa – nor in most other commodities – and therefore understanding of the size of the challenges we're facing is increasing. The acknowledgement of the interlinkages between the environmental, human rights, and economic challenges means we can actually start designing holistic interventions. It is the age of wisdom.

While virtually all cocoa stakeholders, including industry, seemed to be aligned on the need for coordinated action on both sustainability and improving the incomes of the weakest players in the supply chain, a political shift to the right has caused fact-free pushback against the regulatory environment, denying the fundamental truth that a resilient and sustainable supply chain is a competitive one. It has also caused a sudden slashing of funding for sustainability worldwide, denying our shared humanity and that we are all in the same global boat together. It is the age of foolishness.

In a world where sustainability is receiving significant pushback, we must ensure it is the age of belief, not just the epoch of incredulity. This Barometer outlines many of the challenges facing the cocoa sector. In that light, it is a season of darkness. But this Barometer also outlines many of the major steps forward the sector has made over the past decades. It is, therefore, also a season of light. In the middle of a global context that can sometimes feel like the winter of despair, the current state of cocoa should show that we are also in a spring of hope.

There is hope, not because everything is as it should be or because we have the certainty that everything will turn out right. No, there is hope because we have concrete evidence that change is possible, provided our sector steps to the plate and does its best.

Infographic 1: **The problem tree of cocoa**

2 The big picture; a sector overview

The cocoa sector itself has been through turbulent years since the last Cocoa Barometer was released. A perfect storm of challenges converged, driving market prices up to levels not seen by anyone working in the sector today. Yields were declined drastically disastrous in Ghana and Cote d'Ivoire, with farm gate price increases not following suit immediately in those two countries. Elsewhere, higher market prices have driven a rush to increase production, posing challenges to farmer organisations, commercial traceability and environmental protection.

This is not unique to cocoa. Unsustainable production, commodity market dynamics of booms & busts, and climate change are likely to make food very expensive in the future. This is why it is an imperative to decommoditise agricultural production. Cocoa is a warning for our agricultural systems.

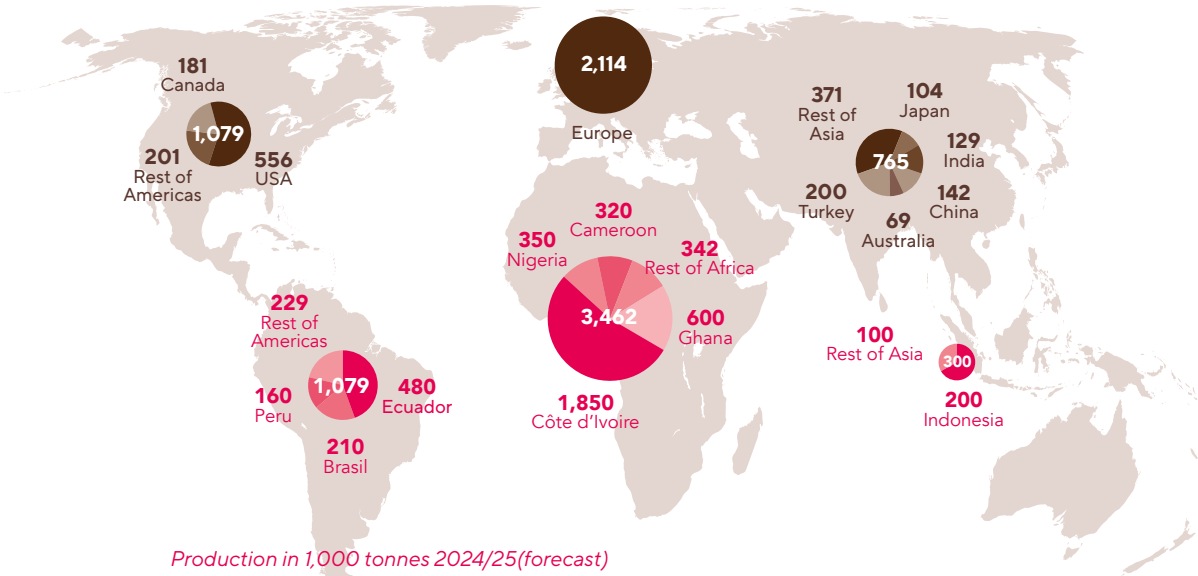
The main sustainability challenges in the cocoa sector issues can be depicted as a 'problem' tree with two main branches; environmental challenges on the one, human rights on the other. Both branches rest on the tree trunk problem of farmer poverty. The roots of the cocoa problem tree can be found in the lack of an enabling environment of regulation, governance, and the ability of farmers and rightsholders to self-organise and be protagonists of their own right. Cross cutting through these issues is the issue of gender inequality.

The current higher prices provide some breathing space to talk about farm gate pricing. How do we make sure the prices are high enough in the future for farmers to earn a living income? When the world market price of cocoa comes down again, the sector needs to have systems in place to protect farmers and forests at the same time.

The regulatory landscape has been shifting at bewildering speeds. Since mid-2024, the political landscape in consuming countries has triggered a wave of deregulation and disengagement of sustainability. This is contributing to confusion and preventing companies from making a clear commitment to cooperatives and producers.

All the challenges described in this Barometer are interrelated. These issues exacerbate each other when they are not dealt with holistically, a topic also referred to as intersectionality. This intersectionality of problems asks for a systematic and coordinated approach.

Infographic 2: **Global production and imports**



Production in 1,000 tonnes 2024/25(forecast)
Net imports of cocoa and cocoa products, in beans equivalent in 1,000 tonnes 2023/24
Source: ICCO 2025, Table 3,38,39

The solutions we bring to the table will require an acknowledgement that there are no simple answers, and that we can't cherry pick the solutions that suit our narrative. To put it simply, we are going to have to throw everything and the kitchen sink at the challenge. And even then, it will be a massive undertaking.

The challenges ahead underline the importance of working together. Rightsholders need to be at the table, and collaborations need to be the norm rather than exception.

This Cocoa Barometer marks the fifteenth anniversary of the VOICE Network. In that light, this Barometer not only looks back at the developments since the release of the last Barometer but purposefully brings in a longer scope of development.

The future requires nuanced collaborative solutions that address the complex challenges of the cocoa sector.

3 Once in a lifetime: current market

Since the turn of the century, cocoa production globally has almost doubled, with Cote d'Ivoire and Ghana, dominating the market. In the last ten years, Latin America has seen a real increase in production. For decades, a slight oversupply structurally has kept prices low (with some steep crashes such as in 2016/2017). A 'business as usual' dynamic. But the market is finding that there are limits to a business-as-usual approach.

No one currently working in the cocoa sector has witnessed the kind of situation that the cocoa sector is in. Not only are the world market prices much higher than in previous decades, but they are also very volatile. Though the 2024/2025 season has seen a return to more supply/demand balance, it will take several seasons of reasonable harvests to return back to normal.

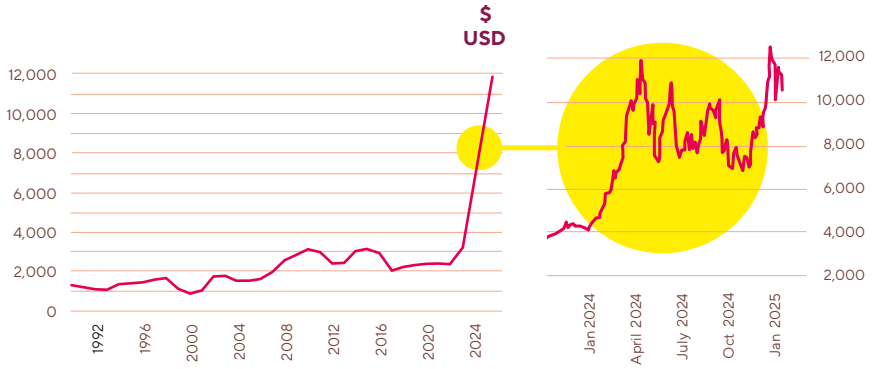
Various root causes led to a supply shortage, and in 2024 the cocoa price rose to historically high levels. Crop disease, ageing trees and farmers, low yields, incursion of gold mining; these are all direct and indirect consequences of decades of a combination of underpaying farmers, high risk for farmers, and lacking enabling government policies and support. Add to the mix extreme weather events, partially exacerbated by climate change, bad weather, a cost-of-living crisis, and rampant inflation (in the case of Ghana), and a perfect storm was created. Low farmer resilience due to decades of underinvestment by the sector has made farming communities even more vulnerable.

Due to the forward selling mechanisms in Cote d'Ivoire and Ghana, farm prices in these two countries didn't go up initially, with drastic income decreases for farmers there. Farmers in other established cocoa growing areas in Africa, Asia and Latin America are receiving more.

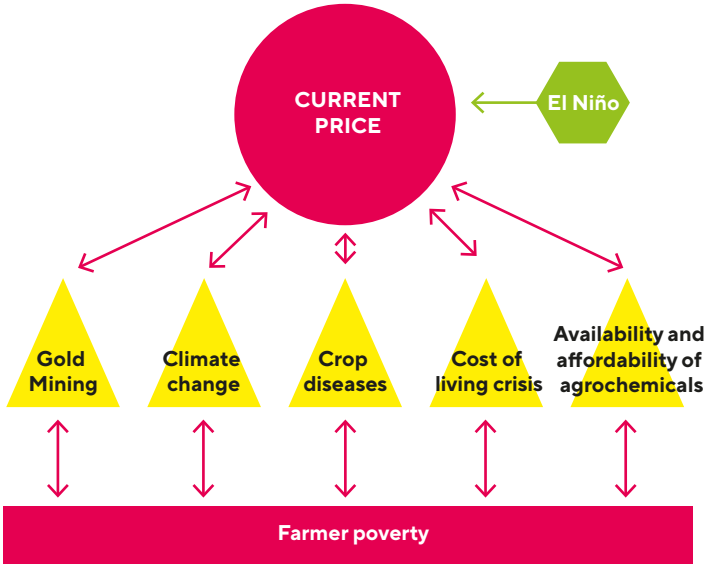
Higher prices coupled with a scarcity of beans have caused a veritable 'goldrush' to secure supply, leading to consolidation of market share for large traders, liquidity problems for cooperatives and local companies. It also drives a risk of increased deforestation and intransparency, with ensuing long-term effects for cooperatives, sustainability systems and on agricultural best practices. In the long run this could also lead to less cocoa and less income for farmers.

There is growing criticism about the forward selling process, and though reforms – especially around market transparency – are very welcome, it would be too easy to throw away the baby with the bathwater.

Infographic 3: **Price development global price of cocoa**



Infographic 4: **Causes of current market prices**



For the 2024/25 season, both the Ghanaian and Ivorian government cocoa marketing bodies (Cocobod and CCC) have struggled to meet the forward sold contracts, and hundreds of thousands of tons of cocoa from the previous season had also still not been delivered. This has put strong financial pressure on both countries, even more so on Ghana than on Côte d'Ivoire.

Nobody in the sector knows how long the prices will stay at the current levels. Current higher prices will likely lead most origins to expand their cocoa production significantly in the coming years. Considering the fact that trees take three to five years to become productive, it is likely that countries such as Ecuador, Colombia, Peru, Brazil, Cameroon and Nigeria will have significantly higher volume, beginning in 2027 at the latest. There is a real risk that more cocoa will start coming from the 'new frontiers of cocoa' – such as Liberia, Sierra Leone, and the Democratic Republic of Congo – with significant deforestation, loss of biodiversity and other environmental services as a result.

These elements together pose a real risk that in the mid-term horizon we will once again see a significant oversupply. A price collapse such as in 2016 could happen again, with disastrous consequences for farmers. It is imperative that origin governments start working together on supply management policies. To which extent the EUDR will be a sufficient tool to combat this, is an open question.

It is incumbent upon the cocoa sector to find a way to ensure that prices do not collapse in the way they have done in the past. It can no longer be enough to hide behind the argument that "this is how the market works". At the very least, a decommoditised market would ensure that real costs – such as farmer poverty, environmental damage, poor labour conditions and health risks – are not pushed onto the primary producers or to the future but are incorporated into the price.

4 Living Income

Farmer poverty is a driver of just about every problem in the cocoa sector; deforestation, child labour, gold mining, and gender inequality are all made so much harder to tackle, if cocoa household incomes are not raised significantly. There is also a business case for providing a living income to farmers from the perspective of achieving sustainability targets and creating future proof supply chains. Credible living income approaches are not just a business or moral imperative; with the advent of Human Rights and Environmental Due Diligence regulations, they will also become part of legal compliance.

Burden on the farmers

The living income gap for the cocoa sector was around $10 billion dollars per year. With the current price levels, there might be enough money in the market now. Additionally, chocolate companies give their shareholders far more in dividends, buybacks and other shareholder incentives. Current approaches to raise farmer income have had marginal impact at best, having been focused on agronomic solutions such as higher yields, farmer training, and income diversification. Furthermore, they have largely been aimed at a small selection of farmers, particularly those involved in specific certification or sustainability programmes. The burden to solve farmer poverty has generally been placed on the farmers themselves.

An order of responsibility

A different approach is necessary, with a different order of responsibility. For living income to become a reality for cocoa farmers, action is necessary on three separate dimensions at the same time: good agricultural practices, good governance policies, and good purchasing practices. However, not all three dimensions have an equal status. Good agricultural practices are only a worthwhile strategy if cocoa is sufficiently remunerative. This requires both good purchasing practices as well as good governance. Only when corporations and governments meet their responsibilities to the farmers properly, does it become fair to ask farmers to invest effort and money in improving their productivity.

Good purchasing practices

Companies wishing to implement good purchasing practices must address three separate elements: remunerative prices (building on the core of a farm gate price that is sufficient for a living income), risk sharing (including long-term asymmetric contracts), and transparency and accountability (public communication by companies that can be independently verified).

Infographic 5: **the three sides of the pyramid**

Good Agricultural Practices (GAP) policies should include calculations of changes of the net income of farmers. The element of risk needs to be part of that analysis. When GAP is part of the sustainability strategy, farmer capacity must be strengthened, beyond technical trainings and including access to labour, finance and inputs. It also must shift from monoculture towards diversified agroforestry systems.

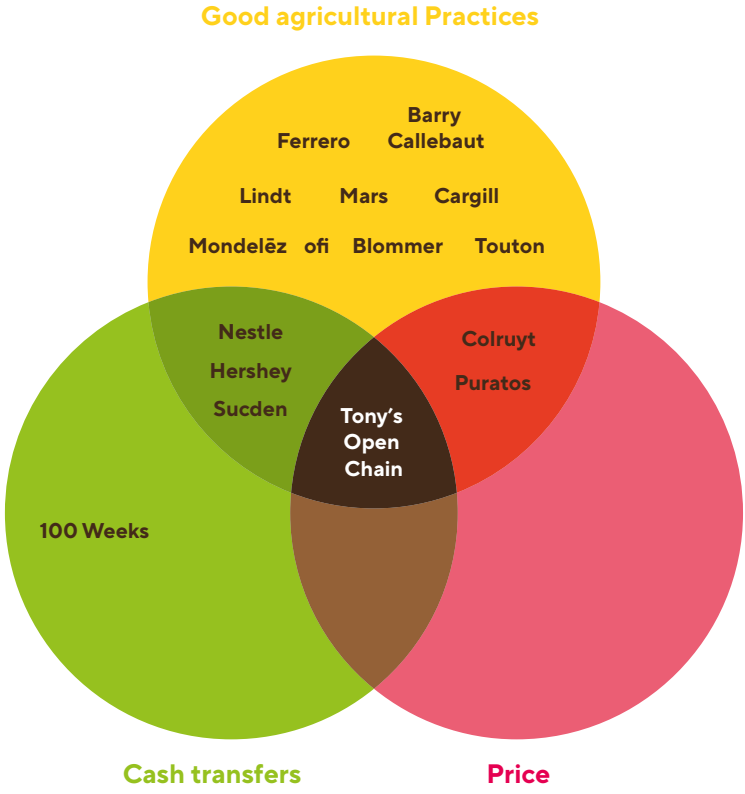
There is an increasing focus on better-off farmers, ignoring the plight of the lower income farmers. However, these have as much right to a living income as any other.

Additionally, many of the people working on the farms are neither hired labourers nor farm owners but are tenants in some way.

Price

The core of all good purchasing practices is a living income reference price, a farm gate price that is sufficient for a farmer to be able to bridge the remaining living income gap. Such a price needs to be based on the actual reality of the farmer, and be sufficient for the majority of farmers, not just the outliers. However, not all poverty can be tackled through a market dynamic. Beyond

Infographic 6:
Purchasing practices of the major cocoa and chocolate companies



volume-based payments such as price or premiums per tonne, there are other payments that can help reduce the living income gap, such as payments for ecosystems services and cash transfers. However, these must always be additional to the core requirement of remunerative farm gate pricing.

Risk

At present farmers bear practically all the risks, including uncertainty of volume and price of sales. Furthermore, farmers often have to deal with unclear and complex contracts (in terms of tonnage, price, timing of delivery), contracts that moreover are often not respected. Long-term asymmetric contracts coupled with standardised contracts and accessible grievance mechanisms are key elements in reducing the risk for farmers. Furthermore, contracts are often not respected, or the unclarity of contracts is abused. Companies should have

effective, accessible complaint mechanisms – or ideally, a universally accepted single complaint mechanism – in line with the UN Guiding Principles on Business and Human Rights.

Transparency

It will become increasingly important for companies to be able to communicate credibly and transparently about their purchasing practices, both to ensure accountability as well as to ensure farmers properly understand their rights and obligations. Key purchasing indicators will need to be transparently communicated.

Good governance

Good governance is a key prerequisite for all elements of sustainability, including the safeguarding of human rights, environmental protection, as well as bridging the living income gap. This includes a reliable regulatory environment that imposes good purchasing practices on the private sector. It also requires funding support to origin governments, so they can improve on rural development strategies, infrastructure, transparency & accountability, rule of law, and supply management. The current market situation of high prices due to lower yiels is, in a significant part, the result of poor governance and management of the sector by exporting governments.

Good agricultural practices

Productivity

Despite decades of industry investment, yields on average are hardly going up. Climate disruption is a cause for this, as is the encroachment of environmental degradation through the threat of illegal gold mining, crop diseases, aging farmers, aging trees and soil depletion and a lack of interest of the younger generation to take up farming.

Productivity increase does not necessarily have an inherent positive effect on the net income of cocoa farming households unless it is coupled with remunerative prices. Higher productivity requires significant investments in inputs and labour, which are neither available nor affordable for most cocoa farmers, and bring inherent business risks. Every cocoa growing household has a finite amount of available labour days to spend on cocoa. If more labour is necessary than is available from adults in the household, this increases the risk of child labour. Technological innovations are sometimes used but bring additional costs and investment risks.

Furthermore, though higher yields would help at micro economic level, macro-economically, this would cause a market collapse; if only 10% of all farmers would double productivity the ensuing oversupply would cause prices to collapse. The massive price increase we saw during the last two years could

open the window of opportunity to enable farmers to use hired labour or invest in more technology. This will only be sustainable if cocoa prices stay above a certain level.

Diversification

Increasing sources of income is an important element of strengthening the resilience of farmers income. But it is insufficient to increase income. Many cocoa producers already have a strongly diversified income structure, and it requires investments and labour, for which the same constraints and risks are applicable as with higher productivity. It is also unclear whether there is a sufficient market for diversified products. Farmers in neighbouring crops are also poor, which signifies a feedback loop of poverty. This vicious circle needs to be broken.

Farm size

Instead of speaking of a minimum viable farm size, it is more realistic to speak about a maximum viable farm size per household, as labour is an equally limiting physical constraint to production. Furthermore, increasing farm size requires significant tenure reforms and a committed rural development strategy at governmental level. Bigger farms, at least at the short to medium term, does not seem to be a very viable strategy for the majority of cocoa farming households.

Where are we going?

Corporate purchasing practices are still largely aimed at avoiding higher prices and price risks. Virtually every programme out there is incomplete. There is also a lack of transparency on the part of governments. Both industry and governments will need to significantly change their business 'as usual' approach.

There is an unspoken assumption that farmers of commodities are expected by default to be poor. However, Living income is the minimum level of decency for a household, it should be the starting point, not a finish line. The exceptional market situation should provide breathing space to talk about how we can ensure farm gate prices will reflect the true price necessary to bridge the income gap.

Poverty is a daily reality for the vast majority of cocoa farmers, who cannot afford to wait until long-term processes – such as diversified income, higher productivity, or a better rural services and infrastructure – have come to pass. Good Purchasing Practices can be implemented on a relatively short term, by individual corporate actors. It is the critical beginning for achieving the long-term change.

Female-headed households are strongly overrepresented in segments of vulnerable cocoa growers. Interventions must be designed through a gender lens, not only in a supply chain approach, but at community level across all activities in that landscape, with men being involved as part of the necessary change.

5 Environmental Protection

The environmental concerns in cocoa production are truly global in scope. Although environmental concerns are relatively recent additions to the global sustainability discourse in cocoa, issues such as climate change, changing weather patterns, deforestation and the loss of natural ecosystems have been felt and challenged by communities in the Global South for many years. Other challenges include threats to cocoa production by crop diseases and the increasingly visible destruction caused by small-scale open goldmining. Furthermore, cocoa production is at the risk of expanding into called "new frontiers of cocoa".

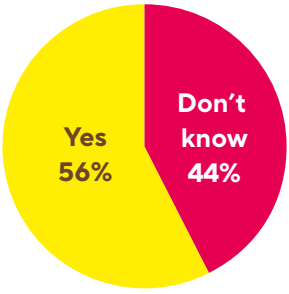
Interconnected issues

The biggest environmental challenge in the cocoa sector is farmer poverty: cocoa farmers need to earn a living income in order to alleviate pressure on forests from cocoa production. Furthermore, most approaches to environmental challenges are designed without a clear focus on ensuring women are actively involved.

Crop losses

Pests and diseases are a threat to cocoa production. Viral crop diseases can lead to major losses. Black Pod and Cocoa Swollen Shoot Virus (CSSV) can lead to a loss of 30% or more of the West African annual harvest. The Witches Broom virus continues to damage cocoa production in Latin America.

Infographic 7: **Scorecard: barely half (56%) of cocoa is confirmed deforestation free**



Deforestation

Cocoa production is a driver of deforestation in all cocoa growing regions of the world. Historically, Ghana and Côte d'Ivoire have had particularly alarming rates of deforestation, but recently, cocoa production has started to expand into new geographies, as well as growing in historic cocoa geographies. This shift carries significant environmental and social risks. The forests of Central Africa and Latin America are among the world's most biodiverse and ecologically vital ecosystems. Unregulated cocoa expansion threatens to replicate the mistakes of West Africa, where more than 80% of forests have been lost over the past 60 years, with cocoa as one of the main drivers. Without sustainable planning, this expansion could result in 'new frontiers of deforestation', leading to widespread deforestation, biodiversity loss, and deepening social inequalities.

Deforestation leads to a wide range of negative effects, including the loss of ecosystem services and habitat, loss of income and resilience for rural communities, and exposure to zoonoses. Deforestation also leads to tremendous climatological impact, including less carbon capture, changes in rainfall patterns, and reduced resilience in water capture.

Fighting deforestation requires traceability throughout the supply chain to understand where the cocoa is coming from, transparency to provide accountability. This should not be confined to just farms but include remaining forests. However, both industry and government actors remain reluctant to make data publicly available.

Forest protection must be done in a way that upholds and respects human rights. There is a key and joint responsibility for both the private sector and origin governments to ensure such transitions and environmental protection are executed in a just manner.

Landscape approaches are necessary, covering the various land-uses in the landscape and address the needs of multiple groups. Companies urgently need to invest in forest protection and restoration, and to support governments in this role. Simple compliance to regulations will not be enough, proactive supporting measures are needed.

EUDR

The European Union's Deforestation Regulation (EUDR) will require traceability back to the farm, proving that no deforestation has happened since 2020 and that the cocoa was grown in a legal manner. The advent of the EUDR has created necessary pressure for companies and producing governments to make progress after many years of promises. The EUDR has been delayed by a year and is again under pressure. The regulatory unreliability of the EU is causing severe damage to crucial planetary protection measures.

Though the EUDR is a key legislation, if it is not implemented properly, the burden of compliance will all too easily be foisted upon smallholders farmers, who need much stronger support than they are currently getting, and who are getting the cost of compliance pushed on them by downstream operators, as well as to also avoid the market to disengage with the most vulnerable of farmers.

Though a major part of the environmental focus in cocoa has been on the EUDR, it is important to remember that much more is needed than demand side regulations to halt deforestation, including addressing farmer poverty and governance failure in origin countries.

Lessons from Côte d'Ivoire and Ghana underline the importance of proactive, landscape-level planning, inclusive multi-stakeholder governance, enforceable deforestation-free supply chain commitments, the need to finance the conservation of national parks and preserved forest as well as restore degraded areas.

Gold Mining

The expansion of gold mining is becoming a major issue in West Africa but also is a growing concern in the Amazon Bassin. Increasingly, this mining is done at a more professional level and is increasingly associated with organized crime. This causes tremendous environmental damage, to forests, soil, and to water. It is also a severe risk area for human rights concerns, including hazardous work and the worst forms of child labour. It also causes severe long term economic damage for the communities where the mining has taken place.

Climate Change

Climate change directly impacts farmer's incomes. Lower yields and crop losses are a result of droughts, erratic rainfall and increased occurrences of pests and diseases. At the same time, production costs increase due the needs of irrigation and additional pest control. Price volatility due to erratic harvests can cause resilience risks. Weather events such as La Niña and El Niño are becoming more frequent and more severe due to climate change.

Because of changes in climate conditions, some regions – including large parts of West Africa – will become unsuitable for growing cocoa. However, other areas that were previously unsuitable for cocoa production could become more interesting. There is a particular irony in the fact that deforestation caused by cocoa will over time contribute to an environment that means cocoa can no longer be grown in the exact areas that were deforested for the crop in the first place.

Selection and cultivation of improved cocoa tree varieties might help to become more resistant to droughts and extreme temperatures, and climate smart agricultural practices, such as soil and water management, might support the adaptation of cocoa farms to the challenges caused by climate change. Most importantly, diverse agroforestry systems are expected to be one of the most effective adaptation systems available.

Agroforestry

Cocoa agroforestry systems bring a wide range of ecological benefits, such as biodiversity conservation of flora and fauna, carbon sequestration, preserving and strengthening soil moisture and fertility, contributing to pest control, and microclimatic gains such as offering shade and moisture to undergrowth. Agroforestry can also be part of the solution for some of the socioeconomic challenges. Cocoa agroforestry systems can and should provide additional income opportunities to farmers, and to serve as incentive for farmers to invest and maintain agroforestry systems in cocoa producing origins.

All monoculture cocoa should be replaced over time with agroforestry cocoa, with progressively more diverse agroforestry systems put in place. Agroforestry systems should be used to strengthen the resilience of cocoa production regions, diversify land-use practices and income sources, and to restore degraded land, rolling out agroforestry in previously deforested areas can help anchor rainfall and restore some tree cover. While cocoa agroforests can store more carbon than monocultures, they store far less carbon than the tropical forests they have historically replaced.

Because a common definition is missing, alignment in agroforestry is often at a lowest common denominator level. Furthermore, there is a lack of enforcement at all levels. Due to low adoption rates and low tree survival rates, the impact of agroforestry reforestation campaigns so far unfortunately has been low. Training and education with farmers and farm workers are needed to ensure success in any transition away from monoculture towards cocoa agroforestry. Payments of maintenance fees or premiums for agroforestry programmes could also help to incentivize farmers.

Despite these concerns, agroforestry is a crucial part of the future of sustainable cocoa. It helps mitigate climate change impacts and reduces harmful effects of pests and diseases. Though there must be an immediate benefit for farmers, the business case for agroforestry for the sector as a whole must be made within the context of long-term climate change adaptation and biodiversity preservation.

Carbon capture

Trees capture carbon, which is crucial in combatting climate change. Using agroforestry to capture and store carbon can count on general support, especially when coupled with ways to increase revenue for farmers. However, reality shows it is often a rather delicate topic, especially around the trade of carbon credits. The main concerns around carbon capture programmes revolve around two main questions: will the program benefit the farmer, and are the claims about the level of carbon capture credible?

There are several reasons why carbon removal claims are problematic in the current system. These include the difference in permanence between removal and reduction, the risk of agroforestry removals being undone, double counting, the unreliability of claims, and the tendency to prefer removals over reductions. Due to the difference in risk and permanence of agroforestry carbon removals, it is not possible to make credible claims on carbon neutrality.

Compensation for carbon removal must follow the Good Purchasing Practices principles; remunerative pricing at acceptable risks to the farmers, communicated transparently. It cannot be that payments for carbon are only equal to the cost of compliance; in that case, all that is added to the farmer is an additional cost-neutral work burden.

One of the few ways that agroforestry can be monetized at the moment is through carbon removal claim programmes. This is problematic, as it makes valid criticism of carbon removal claims delicate from a farmer income perspective. From a farmer income perspective, it is crucial to prevent that carbon becomes another commodity for which the farmer is not paid enough, especially if it requires extra investment and/or labour, or if it limits their freedom to decide on farming practices

Carbon capture must be pursued as a separate target to emissions reduction. No company or country should rely on in- or offsets to achieve their urgent and direct emissions reductions; companies and governments need to stop emitting carbon, not compensating for their emissions elsewhere.

In any system of carbon capture and removal, the credibility of the claims is going to be essential. Few approaches have succeeded here to date. The lack of transparency of current offsetting programmes, their effectiveness and

what communities receive is problematic. This is often even more acute in the insetting programs where verification is even weaker.

Clearly, trees capture carbon. Measuring how much carbon is being captured in various agroforestry systems is a good thing. Ensuring farmers are fairly remunerated for this, and do not bear undue burdens is a key part of this as well. In that light, companies need to urgently move, ensuring increased investments are as effective as they can be for both farmers and for nature.

Agrochemicals

The widespread promotion of agrochemicals is one of many examples of the cocoa sector's attempts to find quick-fix solutions. However, there are many environmental and health – and therefore human rights – risks to using them. Good agricultural practices (GAP), integrated pest management (IPM), regenerative agricultural practices, the use (and where possible their production on farm level) of organic fertiliser, and especially the implementation of diverse agroforestry are approaches that should be looked at instead.

A wide variety of pesticides are used to control pests and diseases in cocoa. The use of these pesticides warrants close attention, for both the protection of farmers and the environment, as well as to avoid unintended longer term economic problems.

Many farmers suffer from health problems related to agrochemical use without sufficient protective equipment. Storage, use and disposal are often not adequate, and often personal protective equipment is not used. As a result, farmer health is regularly affected by pesticide use. Furthermore, the rising trend of children being exposed to pesticides is a cause for grave concern. Harm to children is significant and can lead to lifelong adverse effects. In addition, prenatal exposure to pesticides can lead to a wide range of birth defects and miscarriages.

Pesticides can cause a wide range of harm to natural ecosystems and can severely threaten local biodiversity, including birds, fish, and a variety of pollinators, including bees. Not only the pollination, but also the natural fermentation of cocoa is entirely dependent on thriving insect populations and microorganisms.

Regularly, farmers will water down pesticide to reduce costs. This can lead to pests and diseases becoming immune, causing even more crop damage over time.

Though fertilisers could be one of the tools in the Good Agricultural Practices toolkit, they are by no means a panacea, and they should not be applied indiscriminately in a one-size-fits-all solution. For two decades, a key component of any company approach has been that farmers should use more chemical fertiliser, which in the past years has become unaffordable, even when it is available. Furthermore, if prices are not high enough, there is no business case for fertiliser use. High price volatility might also lead to situations where investments in fertilisers increase farmer risk.

Part of the solution might be the increased adoption of organic fertilisers and better composting material which can often be produced at a local level and produced in a regenerative manner. However, the production costs of these fertilizers and the type of farm or scale at which their use is feasible and profitable must be analysed. Biochar can be another part of the solution to strengthen soil fertility, by using the remains of pyrolised organic material. It can also aid with water retention, and acts as a carbon sink against climate change.

The above points do not take away from the need to protect crops from pests and diseases and to improve soil fertility. However, this does not automatically mean that extensive agrochemical use is necessary or even warranted. Integrated Pest Management – especially in combination with diverse agroforestry systems – could reduce the need for pesticides and fertilisers significantly.

Where are we going?

Climate disruption will become a given, not only in West Africa but increasingly across all global cocoa producing regions, causing greater challenges. Urgent and ambitious collective approaches will be necessary to mitigate the worst effects.

Compliance to environmental regulations needs to be as matter-of-fact as corporate compliance is to other laws, such as anti-trust measures, labour rights laws, living income, etc. A sustainable and resilient supply chain is a competitive one, and sustainability must be firmly seen as a key measure to regulatory increase the competitiveness of the cocoa sector. Beyond regulatory compliance, companies should be developing best practices on nature preservation activities, including restoration programmes, biodiversity protection projects inside agricultural production, and a reduction of input footprints within farming systems.

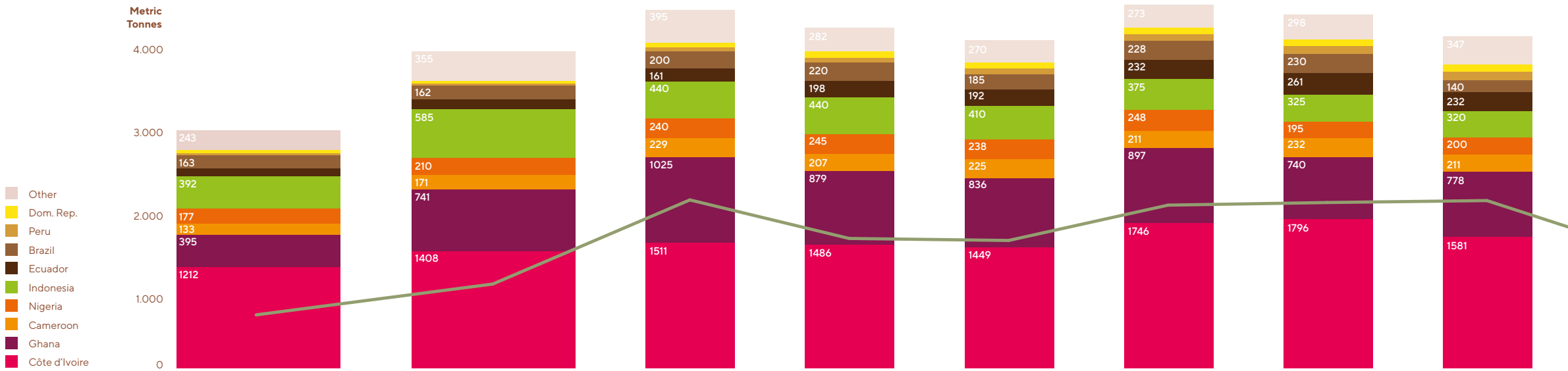
Agroforestry, regenerative agriculture, and radical supply chain transparency are all parts of this, going beyond the current flavour of the day.

Additionally, a more integrated approach is needed, one that brings together stakeholders from across the land-use spectrum—cocoa producers, farmers, food crop growers, and others—to address the interconnected issues of deforestation, poverty, and social inequality.

Given the dominance of cocoa in many of these regions, it's also essential to explore how demand-side policies, like the EU's Deforestation Regulation (EUDR), can support supply-side solutions.

6 Raising the Bar - Timeline

Infographic 8: **Raising the Bar: A Timeline of Cocoa Sustainability in the 21st Century**



Before 2000

Sector
- 1994 Fairtrade cocoa
- 1997 Rainforest cocoa
- 1998 Smithsonian multi-stakeholder meeting on sustainable cocoa growing

Sector wide
Living Income
Human Rights
Environment
Governance
Barometer

2000

Sector
- 2001 WCF founded

Living Income
- 2000 Sustainable Tree Crop Programme

Human Rights
- 2000 Media attention on child labour
- 2001: Harkin Engel Protocol signed
- 2002 Founding of ICI

2005

Sector
- 2006 Founding of the Tropical Commodity Coalition in the Netherlands
- 2007 Utz cocoa
- 2007 First Roundtable on a Sustainable Cocoa Economy in Ghana
- 2008 Launch of IDH Sustainable Trade Initiative
- 2009 First global civil society convening by TCC in Accra
- 2009 Second Roundtable on a Sustainable Cocoa Economy in Trinidad & Tobago
- 2009 Mars and Cadbury commit to buying 'sustainable cocoa'
- 2009 Nestlé Cocoa Plan started
- 2009 Cacao of Excellence launched

Living Income
- 2008 WCF's Cocoa Livelihoods Programme

Human Rights
- 2006 First Harkin Engel promise passes without success. Promises prolonged until 2010 due to sector inaction.
- 2008 First child labour reporting by Tulane University

Barometer
- 2007 Sweetness Follows – precursor to Barometer
- 2009 First Cocoa Barometer

2010

Sector
- VOICE network launched
- Second Ivorian civil war

Human Rights
- Second Harkin Engel deadline passes without success. Harkin Engel Framework of Action, also weak, no definition of roles and responsibilities, but more concrete agreement, and start of CLMS by ILO with industry and DOL funding. Creation of the CLCCG

Barometer
- 2010 Cocoa Barometer

2011

Governance
- UNGP Adopted

2012

Sector
- First World Cocoa Conference in Abidjan
- Second global civil society convening (by VOICE) in Abidjan
- Beginning of CEN/ISO standard on sustainable cocoa
- Mondelez Cocoa Life launched
- Disbanding of TCC, VOICE becomes independent
- First Chocoa festival?

Living Income
- First farmer income calculations in 2012 Barometer

Governance
- Global Cocoa Agenda

Barometer
- 2012 Cocoa Barometer, first poverty calculations

2013

Human Rights
- Nestlé starts CLMRS, first HRDD in cocoa
- Second Tulane report on child labour

2014

Sector
- World Cocoa Conference Amsterdam
- World's running out of chocolate!
- Third global civil society convening in Amsterdam

Governance
- Founding of first global cocoa farmer organisations (ICCFO, WCFO, WCPO)

Barometer
- Barometer Value Distribution Paper

2015

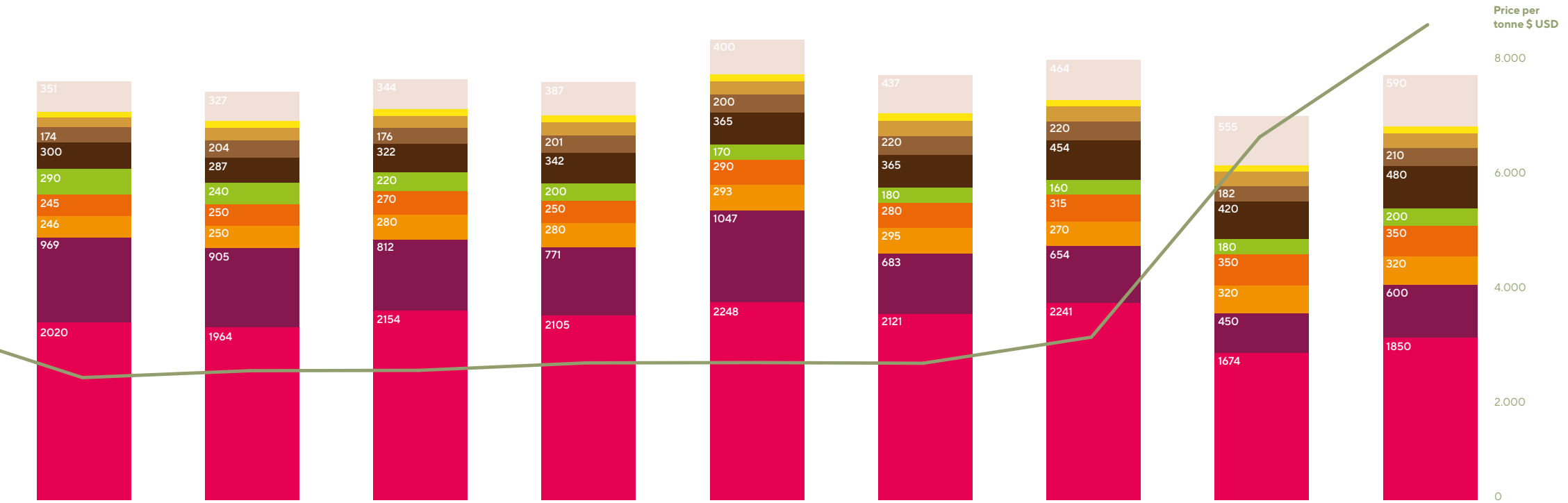
Sector
- Cocoa Action launched (until 2019) too much focus on productivity, but nevertheless first effort on industry alignment, and recognition of the importance of a also having a social pillar.
- Third global civil society convening in Accra

Living Income
- First Living Income calculations: Defining a Decent Living Barometer Paper

Human Rights
- TRECC launched, focusing on investments in education

Governance
- Reform of US Tariff Act (1930), child labour in cocoa now in scope.

Barometer
- 2015 Cocoa Barometer
- Defining a Decent Living



2016

Sector
- World Cocoa Conference in Dominican Republic
- Launch Barry Callebaut's Forever Chocolate

Living Income
- Price crash due to oversupply
- Beginning of the Living Income Community of Practice

Environment
- First campaigns on deforestation by Mighty Earth

2017

Sector
- Fourth global civil society gathering in Berlin

Environment
- Cocoa and Forests Initiative launched

Human Rights
- Third Harkin Engel deadlines passes by without success, postponed till 2020.
- First public company reporting on child labour numbers by Nestlé

2018

Sector
- World Cocoa Conference in Berlin
- Merger UTZ Certified and Rainforest Alliance
- CIGHCI Launched
- Start of development of ARS 1000 standard

Living Income
- Berlin Declaration; cocoa is not sustainable without a living income
- Fairtrade launches Living Income Reference Price system
- Cote d'Ivoire-Ghana Cocoa Initiative, LID launched
- Sixth global civil society convening in Berlin
- ALICO (Alliance for Living Income in Cocoa) launched

Governance
- OECD Due Diligence Guidance for Responsible Business Conduct launched

Barometer
- 2018 Cocoa Barometer
- Transparency & Accountability consultation paper
- Farm Gate Prices consultation paper

2019

Sector
- CIGHCI-Private sector standoff
- Seventh Civil Society meeting (by voice) in Berlin

Human Rights
- Industry led Children First Framework against child labour fails to launch

Governance
- Cocoa Coalition starts asking for regulations

2020

Sector
- Global pandemic begins
- Founding of GCCP

Human Rights
- Fourth Harkin Engel deadline passes without succes

Governance
- EU launches Cocoa Talks

Barometer
- 2020 Cocoa Barometer
- Living Income in Cocoa Consultation paper
- Certification position paper
- LID paper

2021

Sector
- ARS 1000 standard launched

Living Income
- Income Accelerator Programme starts first cash transfer programme in Ghana, beginning of income accelerator programme in Côte d'Ivoire

Human Rights
- CLEF launched, pooled funding, investments in quality education

2022

Sector
- CIGCHI launches 'Economic Pact'
- Founding of PICD

Human Rights
- ICI starts requiring members to report on activities

Governance
- EUDR adopted by EU

Barometer
- 2022 Cocoa Barometer
- T&A paper
- Living Income Compendium
- Latin America Baseline Barometer

2023

Living Income
- First practitioners workshop on data sharing

Governance
- EUDR Adopted

2024

Sector
- Price starts going through the roof
- Deregulation starts in Brussels
- World Cocoa Conference in Brussels
- VOCAL, Voice's sister network in coffee launched

Living Income
- Puratos announces Living Income priced chocolate

Human Rights
- Framework for Action on Child Labour launched

Governance
- CSDDD adopted
- EUDR Delayed

Barometer
- Good Purchasing Practices paper

2025

Sector
- Prices remain higher

Governance
- CSDDD delayed
- USAID and disbanded
- EUDR into force*

Barometer
- Good Governance paper
- 2025 Cocoa Barometer

7 Human Rights

Although the focus on human rights violations in the cocoa sector is often on child labour, there is a wide range of problems facing cocoa-producing communities. Gender inequality, (infant) malnutrition, lack of access to education, human trafficking, insufficient health care facilities and sanitation, insecurity of land and tree tenure and rule of law, labour rights violations for smallholders, workers, and tenants; the list is long and by no means comprehensive. Producing nations are making progress in addressing key challenges, notably in access to education, health care, electrification and drinking water in rural areas. There is also increasing attention to the key issue of access to health care, both as a human right and as an enabler of other progress.

Though every issue requires specific approaches, at the root of all these human rights issues is the structural poverty of rural communities. As living income is a human right, any human rights approach to the challenges in the cocoa sector should include strategies to address poverty and to close the living income gap.

Gender equality

Gender equality is a topic that gets mentioned regularly. Increasingly, projects do involve women's perspectives, but gender equality and female centred projects are still anything but universal. It is time, as a sector, that we stopped talking about it and started acting on it instead. Patriarchal norms translate into economic disparities and underrepresentation. Although women are involved in most stages of the work, women's involvement in decision-making is still far too low. Gender-inclusive design is also because women are change agents in and of themselves, all interventions become so much more effective when women in the communities are involved.

Child labour

Not every child helping their parents on a cocoa farm is immediately involved in child labour, and not every task on a cocoa farm is immediately a cause for concern. Careful definitions are crucial to differentiate between permissible child/light work and forbidden child labour, and to ensure that helping out at the farm as well as youth apprenticeships are not confused with child labour.

Care must be taken when enforcing child labour legislation. The best recourse is often aiding cocoa farming households in taking away the reasons why children are working in the first place. It is now a shared belief of the sector that what is necessary is structural monitoring coupled with tackling systemic root causes

– such as farmer poverty, absence of (access to) quality education, inadequate local infrastructure and services, inadequate labour services in cocoa growing communities, and lack of awareness. If there is no specific attention to children in marginalised communities, as well as girls in general, interventions tend to disproportionately help boys in established communities.

Though there are more children in hazardous child labour in cocoa than ten and twenty years ago, the severity of these cases seems to be decreasing. However, investments and ambitions must be increased by several magnitudes. The upcoming due diligence regulations should also help increase ambition. Although there was a trend for several years of more transparency on child labour, this has reversed with increasingly fewer companies publishing numbers on identified and remediated cases. This is deeply concerning; what is needed is more transparency and accountability, not less.

Several key types of interventions have started to take clear shape, including child labour monitoring and remediation system (CLMRS) and child labour free zones (CLFZs).

CLMRS

CLMRS were first developed for the cocoa sector by the International Cocoa Initiative (ICI) on behalf of Nestlé. They are a means of identifying addressing and preventing child labour, embedded in a supply-chain or community structure. Information on every household in the system is collected, and when children are found to be in or at risk of child labour, suitable remediation and mitigation measures are provided. Even this best practice can only stop around 30% of child labourers from engaging in hazardous activities. Due to an inflation of the use of the term, sector wide alignment on definitions on CLMRSs has led to a lowering of ambition of the initial best practice systems, with the risk of a dilution of impact.

CLFZs

Having a singular focus on child labour in cocoa supply chains could result over time in a displacement of the child labour from cocoa to other less scrutinised sectors, such as fisheries for the local market and mining. As such, landscape approaches are necessary as well, not only tackle the issue of child labour at farm level but at a broader landscape level. CLFZs are a key part of such area-based approaches

The increased focus on the community development approach to prevention, risk assessment and remediation is an important step. However, it should not be seen as an alternative to individual and collective responsibility of companies. Both prevention and remediation are needed.

In West Africa, the work of children on cocoa farms is part of daily life. Approximately 1.5 million children are working in cocoa production in Côte d'Ivoire and Ghana (NORC 2020). Of these, 95% are exposed to hazardous child labour, such as working with dangerous tools or harmful pesticides. The vast majority of child labourers are exposed to more than one type of hazardous work (NORC 2018).

Although historically, almost all of the work on child labour focuses on Ghana and Côte d'Ivoire, other major African cocoa producing countries such as Cameroon and Nigeria cannot be assumed to be free from child labour. The same goes for countries on the new frontiers of cocoa such as Liberia, Sierra Leone and the Democratic Republic of Congo. Proper data on child labour and child work in the Latin American cocoa context is similarly missing. More data is needed, however it can be assumed that there are child labourers in Latin American cocoa production, albeit at lower prevalence rates and absolute numbers than in West Africa.

Labour Rights

Though in West Africa cocoa is largely grown by smallholders, wage labourers play a large role in the workforce in cocoa in Latin America. Furthermore, seasonal hired workers are common in the cocoa sector across the world. Additionally, there is an underreported challenge around sharecroppers and tenants throughout West African cocoa production. In Latin America, where cocoa plantations are often a lot larger, there is much more wage labour, which can lead to challenges around labour rights around health and safety, as well as around the freedom of association.

Health care

Ensuring farming communities have access to affordable health care, through health insurance, provision of clinics and medical supplies, is not only a key human right issue, it also helps make communities more resilient and more productive.

Migrant rights

The vulnerability of migrant workers in all cocoa growing regions pushes them into situations of fragile employment, leading to dangerous working conditions, and sometimes to migrants being tasked with the less salubrious jobs including illegal ones.

Climate change

Climate change is not only an environmental challenge; it is also a human rights challenge. Many of the communities that are – and will be – hardest hit by the effects of climate disruption have done very little to cause the climate change and have profited very little from the overconsumption and emissions that have led to where we are.

Decolonisation

The current reality of the global cocoa trade – and the injustices and inequality that it contains – cannot be understood without the context of the past; the history of colonization informs trade structures that have transitioned into our era. A lack of representation of rightsholders leads daily to interventions being designed in a top-down manner, often not resulting in the right solutions for rightsholders

Where are we going?

The issue of human rights in cocoa is finally moving from voluntary commitments towards mandatory compliance, with the onset of the European Union's Corporate Sustainability Due Diligence Directive. Though there will be many adjustments necessary, over time this should lead to a major leap forward in protecting the most vulnerable links in the value chain.

The level playing field should also open the door for even more sector-wide collaboration on key issues, especially child labour, living income, and gender equality. Going forward, it would be very beneficial to embrace holistic approaches, ensuring that individual corporate responsibility is coupled with collective community development. This will require significant investments, both from the private sector as well as from consuming governments and international institutions.

Smallholder farmers are the backbone of the cocoa sector. However, they are not the only workers. Human rights also pertain to the myriad of sharecroppers, tenants, hired workers and caretakers that work on the smallholder plots. Furthermore, with an increasing amount of cocoa coming from larger plantation models, especially in Latin America, worker rights will also become increasingly material. And the discussion cannot continue to focus largely on men as the default. Women must be at the centre of discussion.

Voices of farmers, communities, and origin governments will need to have an increasing place at the tables of negotiation and regulation. At times, this place will be ceded with relative ease. But at times, this space will need to be taken despite opposition. Origin governments, farmer organisations, local civil society and community organisers are starting to become forces to be reckoned with

of their own right. In a sector that is still largely organized around the extractive models of colonization, it is high time that this takes place.

The days that cocoa's sustainability discussion only dealt with Côte d'Ivoire and Ghana lie behind us. Latin America is in ascendancy, as are other origins in Africa. It will be essential to ensure there is sufficient data about the challenges in these other origins, and that all actors – industry, civil society, farmers, and governments – are included in the conversation.

8 Governance

There are many reasons why governance needs to be part of the cocoa sustainability conversation. Government policies help address the root causes of poverty, and governance is also a key driver in enabling long term effectiveness of sustainability interventions.

Consuming governments

At consuming government level, the key elements of good governance include, firstly, a reliable and ambitious regulatory environment – where sustainability is a matter of legal compliance instead of voluntary efforts. The EUDR and CSDDD regulations are good examples of such regulations. However, such regulations do need to be drafted and implemented with sufficient support for smallholders to ensure they are not left behind.

The current regulatory unreliability of the EU on regulations is causing severe uncertainty for private sector and farmers alike. The right-wing deregulation wave in Brussels also ignores the crucial fact that sustainable and resilient supply chains are a key ingredient for competitiveness.

Furthermore, significant financial support by consuming governments for building capacity in origin governments also is necessary, as is the defence of civic space, necessary for a transparent and accountable sector. The current reductions of funding for development cooperation across the Global North, as well as the pressure on diversity and inclusion, are cause for grave concern.

Origin governments

As a global issue, origin governments should align on common strategies to ensure transparent policies that put farmers first. These strategies should be firmly embedded in national rural and agricultural development strategies in cocoa producing countries that focus on both food sovereignty as well as on development of rural services and infrastructure. Holistic rural development strategies, coupled with inclusively developed landscape roadmaps, are the key strategies within this context.

This must be coupled with the roll-out of affordable and available primary and secondary education and health care, presence and maintenance of roads and clean water, and other key infrastructure, as well as social protection systems. Access to justice must also be affordable and available, and enforcement and development of regulations to strengthen rule of law is also necessary. All of this

must be done in a transparent manner, so that local communities, civil society, media and other rights holders can hold their governments accountable.

The current exceptional market circumstance are, in a significant part, the result of poor governance and management of the sector by exporting governments. Though supply management is not a silver bullet, it must be part of the toolkit of policy measures to increase sustainability in the cocoa sector. Unregulated supply and demand should not be allowed to determine the remuneration for cocoa farmers. Despite chocolate and cocoa companies always pointing to supply and demand as being the main determinant for cocoa prices, the discussion on supply management policies is largely absent. Instruments can range from the buffer stocks and quota through to more subtle tools such as rural development policies or land reform.

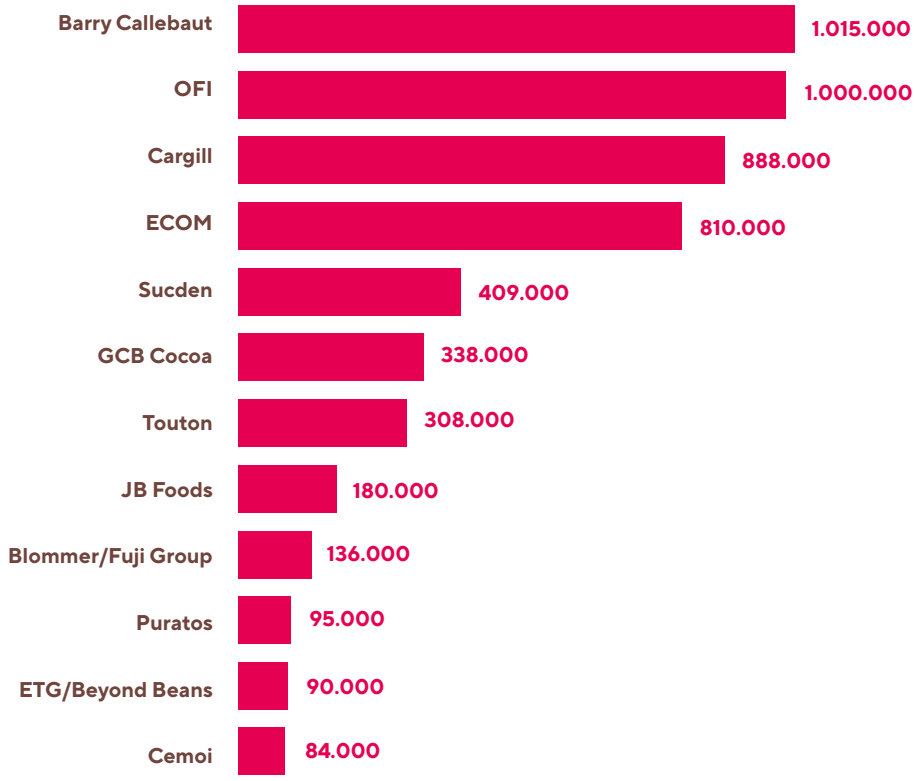
In producing countries, there are no multistakeholder platforms to collectively and inclusively set agendas and work towards achieving sustainable cocoa sectors in origin countries. This calls for a stronger local governance system with a robust local economic development strategy.

Private sector

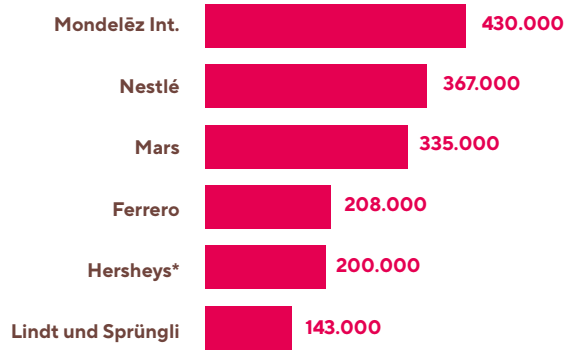
Even when governments are not doing what they should, this cannot be an excuse for companies not to do what they can. Though cocoa farmers struggle to make ends meet, chocolate remains a profitable endeavour for the companies further downstream. Margins will be made, whether the world market prices are low or high. The enormous market concentration in the cocoa sector puts a burden of responsibility on the leading companies

An important part of the responsibility of companies is to ensure full traceability throughout the supply chain. Traders saw a decrease of traceability compared to the previous Cocoa Barometer, probably partially due to the scramble of the market. Brands saw a different development, with all chocolate brands reporting higher traceability. This is probably largely due to the upcoming EUDR requirements. Cocoa traders, grinders, and processors are in most cases not the producer of the final chocolate product. As such, they depend on chocolate brands and retailers to pay for these additional costs.

Infographic 9: **Tonnages traders/grinders**

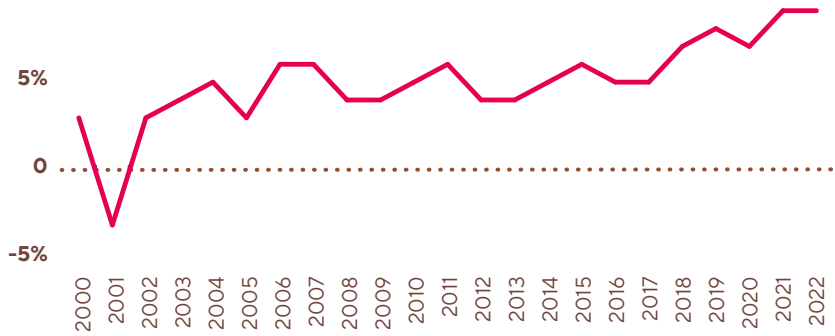


Infographic 10: **Tonnages chocolate brands**



Trading firms focus on capital-intensive large volume-low margin business, whereas brands capture profits through their intellectual property with minimal investment requirements. The high gross profit capacity of chocolate brands translates into high level of payouts to shareholders. In recent years, for every 8 Euros spent on chocolate bars, almost one Euro is channelled to the shareholders of that chocolate brand. Shareholders barely finance the operations of chocolate corporations, but they extract massive dividend payments and share buybacks.

Infographic 11: **Net financial flow from corporations towards shareholders (%, compared to annual revenue). Average for top 7 firms.**



Farmer organisation

Strong worker and farmer organisations could help both farmers and their employees to claim their own rights. Most cocoa farmers, however, are not organised, and are not being reached. Concerted strategies must be developed to reach these 'higher hanging' fruits, and to help them get organised.

Cooperatives often do not sufficiently represent women farmers, as their members are usually predominantly male. Furthermore, many cooperatives struggle with governance issues. For cooperatives to play the positive role that they could play, they must be farmer-led, professionally run, financially independent and accountable to their members.

There's an important role for governments and exporters to play here. Margins for cooperatives need to be squeezed less. One of the key elements is access to finance. Furthermore, cooperatives should be supported so that they can participate effectively in multi-stakeholder policy processes.

Standards

Thinking that farming standards are the answer implies that bad farming is the problem. As such, the race for certified volumes in the past decade has not led to the bar being raised, even though at least a third of all global cocoa is grown under a certification label or an own company sustainability label. Claiming sustainability off the back of a certification system is misleading. However, the terms "certified cocoa" and "sustainable cocoa" are still often – wrongly – used interchangeably.

Nonetheless, there are several ways in which certification plays an important role to make value chains more transparent; it is, at the moment, one of the few ways by which higher prices and premiums can potentially be delivered to the farm gate, it offers support to farmer organisations through financing and enabling cooperatives, and this backbone provides a framework by which many other necessary interventions can be rolled out.

Where are we going

It is an open question how effective the sustainability regulations will remain after the current deregulatory wave has passed. And the right-wing turn in global policies might also have major effects on how the world will develop. But regardless of whether the conditions are favourable or not, progress has been booked so far, and the sector must fight to ensure the path forward is one of improvement rather than decline.

As the cocoa sector faces uncertainty from climate change, trade wars, and shifting political winds, its future remains unclear. Yet, recent regulatory progress and sector reforms must be defended and expanded. The path forward must be one of collective responsibility, meaningful reform, and unwavering support for farming communities.

A major point for hope is the increasing presence of the voice of the Global South in the sustainability conversation. Even though decisions are still far too often taken in the corridors of power and board rooms of the Global North, both origin governments and rightsholders from origin are more and more part of the dialogue, as they should be.

Most – if not all – sustainability interventions in the cocoa sector are based on the realities of so called 'visible farmers'; farmers that are well organised, operate within the direct supply chain, etc. However, there are many farmers that are not visible. These could be sharecroppers and tenants as well as farmers without tenure security. A lot more data is needed on this important missing – but very large – group of farmers. These invisible farmers have many additional challenges compared to visible farmers. These challenges include exploitative

tenure arrangements, less access to sustainability programmes and incentives, additional vulnerability due to financial dependency, less worker rights due to a lack of documentation, vulnerable to discrimination, etc.

9 The road ahead

Interconnected challenges

The cocoa sector is facing a range of deeply interconnected challenges, all of which must be addressed holistically. These include child labour, poverty, education, environmental degradation, and healthcare—all of which are tightly linked and cannot be solved in isolation. The concept of intersectionality underscores the necessity of tackling these problems together. At the core of these challenges are systemic issues such as gender inequality, the silencing of rightsholders, and the legacy of exploitation and racism embedded in the global cocoa trade. Addressing these issues requires nuanced and inclusive solutions, not simplistic fixes. However, current sustainability programmes often fall short due to the top-down nature of decision-making, where actors in powerful positions—mainly from the Global North—design interventions without adequately including those most affected.

Sector collaboration

Meanwhile, collaboration across the sector is increasingly recognized as essential to meaningful progress. Positive steps have been taken through networks such as VOICE, the Plateforme Ivoirienne pour le Cacao Durable (PICD), and the Ghanaian Civil-society in Cocoa Platform (GCCP) and the initial actions on the Coalición Cacao 2030 in Ecuador. Even unlikely partnerships, like those in the Brussels-based Cocoa Coalition between civil society and multinational companies, show potential. Still, such collaborations remain the exception rather than the norm. At the same time, market dynamics are shifting. While cocoa prices are currently higher—driven by short-term supply issues like disease and ageing trees—there is concern about overproduction in the near future. Farmers, incentivised by higher prices, are investing in replanting and new plantations. This may bring a production boom by 2027. The danger is that this expansion may come at the cost of deforestation, both in existing producing areas and in new cocoa frontiers. It could also lead to a decrease of sustainable practices in cocoa, because of the competition between buyers to get cocoa at any price, without taking into account sustainability or good agricultural practices.

Oversupply and market volatility

The threat of future oversupply echoes past market collapses, which have had devastating consequences for farmers. As such, there is an urgent call for coordinated supply management and for efforts to "decommoditise" cocoa—shifting away from a system that treats each ton as interchangeable and drives down prices at the farmers' expense. A key issue in this conversation is living income. Despite strong rhetoric from companies, few are making concrete commitments or changing their business practices to ensure farmers earn enough to live on. Most industry efforts remain focused on technical fixes like cash transfers and good agricultural practices, which, while helpful, are insufficient alone. Price remains a central factor—without paying farmers more, the poverty gap cannot be bridged. Companies are beginning to acknowledge this, but price remains a contentious topic.

Climate resilience

Environmental issues are also becoming more pressing as climate change increasingly disrupts cocoa production. Regulatory responses, especially from the European Union, have been inconsistent and need to be strengthened. Deforestation laws should be a baseline, not an ambition. Beyond compliance, companies must embrace best practices in agroforestry, biodiversity protection, and supply chain transparency. These practices must go beyond the current trends and aim for systemic change, such as regenerative agriculture and radically transparent supply chains. Climate change is not only reshaping cocoa production conditions—it is demanding bold action that extends beyond isolated interventions.

Human rights

Likewise, human rights issues are entering a new phase with the European Union's Corporate Sustainability Due Diligence Directive. Though still being finalized, it signals a shift from voluntary commitments to mandatory compliance. This will require companies to adopt credible, transparent, and risk-based approaches to tackle abuses such as child labour and gender discrimination. Collaboration will be crucial here too—human rights protection should be a shared responsibility, not a competitive advantage. Transparency, adaptability, and a willingness to change policies when progress stalls will be crucial as the sector works through the growing pains of this transition.

Global approach

Moving forward, the sector must balance individual corporate responsibility with collective action, especially in community development. This involves recognizing all workers—sharecroppers, caretakers, hired labour, and especially women—as central to the conversation. The scope of sustainability discussions must also broaden beyond Côte d'Ivoire and Ghana to include emerging producers in Latin America and other African nations. The days of focusing only on a few major cocoa-producing countries are over. A global, inclusive approach will be essential to ensure all origins are part of the solution and receive the support they need.

Navigating an uncertain future

The enabling environment remains uncertain, with trade wars, political shifts, and climate change all capable of significantly affecting the cocoa sector. It's unclear how long the current high prices will last or how effective sustainability regulations will remain amid global deregulatory trends. However, recent progress offers hope. The future of cocoa sustainability will depend on whether the sector can sustain and build upon this momentum, navigating uncertainty with ambition and collaboration rather than regression. Regardless of external conditions, it is imperative that the sector continue moving toward long-term, equitable improvement for farmers, communities, and ecosystems alike.

10 Key recommendations

For all stakeholders

- Scale up efforts significantly, to reflect the size and urgency of the problem.
- Implement a sector wide commitment to living income.
- Implement a global moratorium on deforestation.
- Ensure that the enabling environment of purchasing practices and governance policies are strongly improved before good agricultural practices are emphasised.
- Involve farmers (men and women) and civil society as co-decision makers in all sustainability collaborations through inclusive and deliberative processes.
- Develop effective transparency and accountability mechanisms.
- Support a shift from monoculture to diversified production.
- Support capacity of farming communities to self-organise and have a bigger voice.
- Ensure that all sustainability approaches are tailored to include women and youth.

For companies

- Develop a time-bound living income action plan that includes purchasing practices.
- Commit to a living income reference price.
- Engage farmers in long-term asymmetric contracts.
- Implement transparent and effective CLMRSs to cover the entire supply chain.
- Implement full supply chain traceability to farm level.
- Implement holistic environmental and human rights Due Diligence policies.
- Full supply chain transparency on sustainability payments, including Living Income Differentials, country differentials and certification premiums.
- Support the costs of farmers to be able to compy all new enevironmental and social standards

For voluntary standards

- Make Living Income and the payment of a living income reference price a key requirement.
- Strengthen and enforce the Trader Codes of Conduct, requiring as much change from multinationals as cocoa farmers need to.
- Provide technical and financial support for the logistics of implementing the new EUDR regulations to prevent the burden from falling on farmers.

For governments of cocoa consuming nations

- Enshrine living income as a key part of any Human Rights and Environmental Due Diligence regulation, requiring time-bound action plans by corporations
- Support representation of civil society and farmers
- Provide sustained financial and technical support to build producing country capacity, and to tackle farmer poverty, and to facilitate appropriate implementation of mandatory human rights and environmental due diligence.

For governments of cocoa producing countries

- Work towards decoupling the price of cocoa from the commodity market to reflect the costs of production – including a living income.
- Implement supply management solutions.
- Significantly increase transparency and accountability of how public funds are collected spent.
- Develop and implement national cocoa monitoring and traceability systems on both deforestation and child labour
- Enforce protection of remaining forests.
- Embed cocoa plans in national rural and agricultural development strategies that focus on food sovereignty and rural infrastructure.
- Include access to investigation, new technology and finances in the national cocoa plans
- Disclose annually the tonnages of cocoa sold, price received for cocoa sales, including all differentials, and price setup of farm gate price vs. world market price.

Colophon

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The final responsibility for the content and the views expressed in this publication lies solely with the authors. The 2025 Cocoa Barometer is based on publicly available data as well as the off-record information provided to the authors. The authors welcome any corrections to data provided and challenge all actors of the cocoa sector to be much more forthcoming with public data on the core challenges the sector faces.

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