The European market potential for certified cocoa

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Sustainability has become a key part of the European cocoa market. Consumers are demanding more sustainable products and companies are marketing their products as being more sustainable. New laws and regulations in Europe have also helped to increase the demand for certified cocoa. Certification is the most widely used tool to put ambitions and commitments about sustainability into action. Large chocolate companies often buy cocoa that is certified or sourced through their own sustainability programmes. This growing demand makes Europe the most important market for certified cocoa in the world.

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1. Product description

Certification schemes are developed and coordinated by organisations that set standards. The schemes clearly outline their objectives. The objective of the certification schemes included in this study is to contribute to a more sustainable cocoa sector. The schemes have standards that outline what needs to be done by producers and companies. An independent, third-party auditor (checker) verifies whether or not the cocoa is being produced and traded according to this standard.

The ISEAL Alliance defines what makes a certification scheme credible. A certification scheme needs to add value and make an impact where it matters. It should work together with stakeholders to create change and prove that it is making a difference. Trust and credibility are key parts of a reliable certification scheme.

Certification schemes certify the production of cocoa beans at the farm level, for farmers or farmer groups. For the supply chain, certification schemes certify the trading of cocoa beans and cocoa derivatives (cocoa paste, cocoa butter and cocoa powder). Over the last few years, some cocoa certification programmes have expanded to cover some chocolate products too.

The relevant HS codes are in the table below. The focus of this study is on cocoa beans (1801).

Table 1: HS codes for bulk cocoa

HS Code	Type
1801	Cocoa beans, whole or broken, raw or roasted

1803	Cocoa paste, whether or not defatted
1804	Cocoa butter, fat and oil
1805	Cocoa powder, not containing added sugar or other sweetening matter
1806	Chocolate and other food preparations containing cocoa

Source: World Customs Organization

Certified cocoa is cocoa that meets the standards of a certification scheme. That means the production of the cocoa has been certified by an independent, external certification authority. The leading international certification schemes for cocoa are Rainforest Alliance, Fairtrade International, Fair Trade USA and organic certification.

Rainforest Alliance is the largest certification scheme

Rainforest Alliance is an international non-profit organisation that works to make responsible business the new normal. They aim to protect forests, improve the livelihoods of farmers and forest communities, promote human rights and help lessen and adapt to the climate crisis. Certified crops are produced according to the Rainforest Alliance sustainability standard.

In 2018, the Rainforest Alliance merged with UTZ. At the time of the merger, UTZ was the largest certification programme for cocoa worldwide. The UTZ label stood for more sustainable farming and better opportunities for farmers, their families and our planet.

After the merger, a new Rainforest Alliance standard was developed and launched in 2020. A new seal with a frog symbol was launched too. The old UTZ seal and standard have now been phased out of the market. All UTZ cocoa production has now transitioned to Rainforest Alliance certification.

The (new) Rainforest Alliance cocoa programme is the world's largest sustainable cocoa initiative. In 2023, it covered more than 3 million farmers and workers in 22 countries. Global production of Rainforest Alliance certified cocoa was more than 2,311,000 tonnes in 2023.

Fairtrade International is the second-largest certification scheme

The second-largest certification scheme in cocoa is Fairtrade International. Fairtrade's goal is to empower farmers and workers. Fairtrade aims to change the way trade works through better prices, decent working conditions and a fairer deal for farmers and workers in developing countries.

The Fairtrade standards are designed to support sustainable development. The standards include the payment of a Fairtrade minimum price and a Fairtrade premium price. Fairtrade audits (checks) are done by FLOCERT.

Cocoa has grown to be one of the most well-known Fairtrade products since it was first certified in 1994. In 2022, the Fairtrade programme covered almost half a million farmers. The global production of Fairtrade certified cocoa was 713,000 tonnes in 2022.

In this study, Fairtrade International will simply be called Fairtrade.

Organic certification is regulated by the EU

Organic farming means producing food using only natural substances and processes. This has a positive effect on the environment in several ways. The EU lists the following benefits:

- responsible use of energy and natural resources;
- maintenance of biodiversity;
- preservation of regional ecological balance;
- improvement of soil fertility;
- maintenance of water quality.

Organic farming also encourages a high standard of animal welfare.

In the European Union, organic certification is regulated centrally by the EU. The EU has strict control and enforcement on organic products. Imported organic products are also checked to make sure that they are produced according to organic principles.

Most organic cocoa is imported as cocoa beans. Organic cocoa bean imports to the EU were 56,000 tonnes in 2023. Imports of cocoa paste, cocoa powder and chocolate were only 3,000 tonnes.

This study will only include the key elements of organic certification. More details on organic cocoa can be found in the CBI study Exporting organic cocoa to Europe.

Figure 1: Cocoa beans drying

Source: The Rainforest Alliance 2024

Other certification schemes are also available

Apart from the larger certification schemes, cocoa producers and exporters can also join certification programmes for more specific standards. These are meant for smaller niche markets or specific regions.

Fair Trade USA is a certification scheme based in the United States of America. Fair Trade USA was previously a member of Fairtrade International, but they separated in 2012. With the Fair Trade Standard, they aim to improve livelihoods, protect the environment and build resilient, transparent supply chains. The standard also includes minimum prices and premiums.

Fair Trade USA does not publicly report its volume of cocoa production and farmer membership. However, most of their buyers are based in the USA. The global import volumes under the Fair Trade USA scheme are small, at around 16,000 tonnes per year (35 million pounds in weight). There is not much demand for Fair Trade USA certified cocoa in Europe. The Partner directory only lists 7 companies with this certification for cocoa beans in Europe (in France, Germany, Italy, Switzerland and the United Kingdom).

Other examples of niche standards include:

- Bird Friendly: Bird Friendly is a certification programme for cocoa and coffee production. The programme was developed by Smithsonian scientists to preserve bird habitats and to protect migratory songbirds.
- Demeter: Demeter is a global certification scheme for biodynamic farming. This standard goes beyond the EU organic standard and includes biodynamic farming requirements.
- Fair for Life: Fair for Life is a certification programme for fair trade in agriculture, manufacturing and trade. It was developed and is owned by the certification organisation Ecocert.
- Small Producers' Symbol (SPP): SPP is a fair trade certification for small-scale producers and cooperatives. SPP only works with organic products.

Company Sustainability Standards are developed as an alternative to certification

Most major cocoa and chocolate companies have also developed their own company sustainability programmes and standards. These are not considered certification programmes, because they are not independently developed and audited (checked). They are often less complex and less transparent than certification schemes. They are also usually not publicly available.

Company sustainability standards are often developed together with external experts. Sometimes, the standards are based on certification standards or use elements from these schemes. They can also include some form of external verification (checking) by an independent auditor.

Company sustainability standards are developed for several reasons. They are usually a cheaper way for companies to meet their 100% sustainability commitments. Their level is usually lower than that of certification programmes, making them easier to implement. They also give companies more control over their supply and the marketing story of their programme.

Although they are not certification programmes, company sustainability standards still play an important role in the cocoa sector. Many companies are shifting from certification programmes to company standards. They are therefore also included in this part of the study on certified cocoa.

Examples of company sustainability standards for cocoa traders and processors are:

- Ofi Cocoa Compass
- Barry Callebaut Cocoa Horizons
- Cargill Cocoa Promise
- Ecom Cocoa Charter
- Sucden
- Touton PACT
- Blommer Sustainable Origins
- ETG
- Cémoi Transparance Cacao

Examples of company sustainability standards for chocolate manufacturers are

- Mondelēz Cocoa Life
- Nestlé Cocoa Plan
- Mars Cocoa for Generations
- Hershey Cocoa for Good
- Ferrero
- Lindt Farming Program

See the CBI study What is the demand for cocoa on the European market? for more information about company programmes and standards.

Tips:

The biggest certification programme in cocoa is Rainforest Alliance, followed by Fairtrade International. There is very little demand for Fair Trade USA in Europe. Focus on the two biggest programmes if you are interested in certifying your cocoa and exporting certified cocoa. Ask your buyers which certification programme they are interested in.

Certain buyers are also looking for organic certification. However, these are very specific buyers. Ensure that your buyers are interested in this before starting the path to organic certification. It can take a lot of investment to ensure compliance with the organic standard and to set up full traceability.

Read the International Guide to Fair Trade Labels for more information about the niche fair trade options for cocoa. The guide includes comparisons of Fair for Life, Fairtrade, Fair Trade USA and SPP.

2. What makes Europe an interesting market for certified cocoa?

Europe is the world's largest market for certified cocoa. There is increasing attention for sustainability in the cocoa sector. Many initiatives and platforms aim to address sustainability issues. Certification plays a large role in these developments. The demand for certified cocoa has grown and is expected to keep growing.

Europe is the world's leading market for certified cocoa

Companies have a variety of reasons for deciding to source certified cocoa. These include consumer demand, ensuring transparency and traceability, working towards compliance with regulations, improving brand reputation, managing risks to their reputations and adding credibility to their sustainability claims.

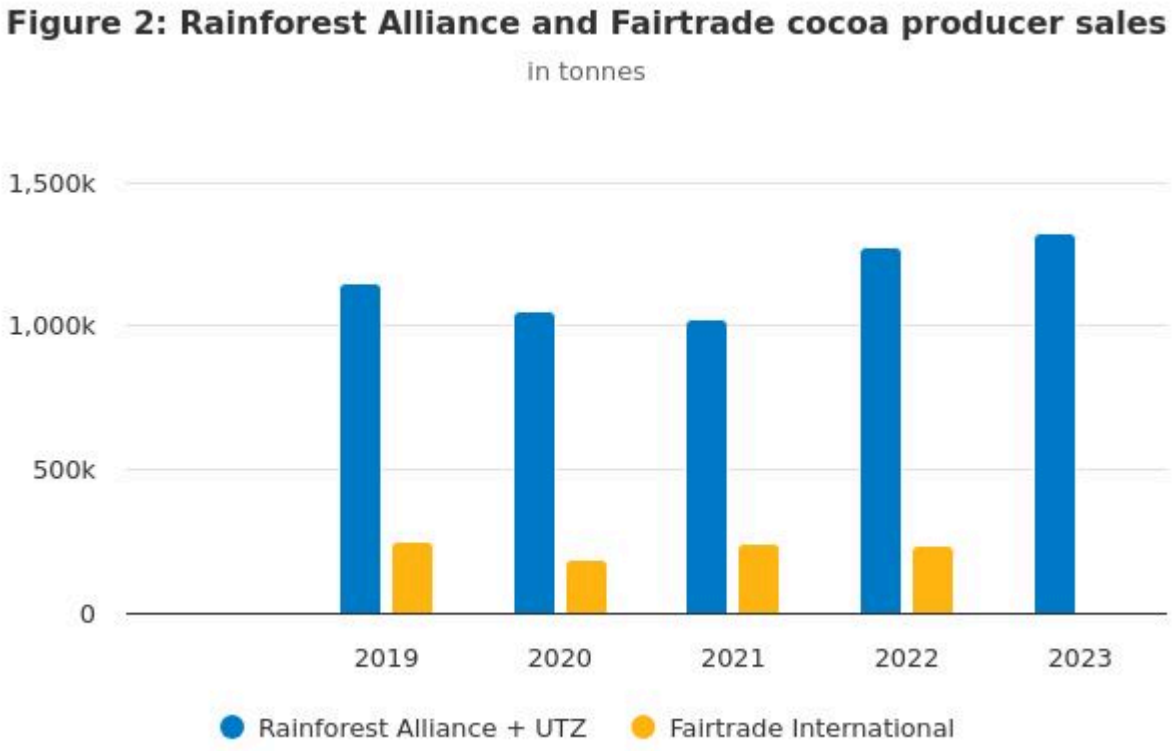
You can find certified cocoa both on the bulk and speciality market. Certification is increasingly becoming a minimum requirement on the bulk market for manufacturers and retailers in Europe. This makes it increasingly difficult for non-certified suppliers to access the European market. Speciality cocoa is associated with niche certification segments. Organic certification is common, but many speciality brands don't use other certification programmes. See the CBI study Exporting specialty cocoa to Europe for more details on certification in speciality cocoa.

Rainforest Alliance is the world's largest certification programme, with 1,321,000 tonnes sold in 2023. After a decline in Rainforest Alliance and UTZ cocoa sales from 2018 to 2021, sales increased again in 2022-2023. The 2023 sales amounted to more than one quarter of the estimated global production in 2022-2023.

Fairtrade cocoa sales grew steadily between 2018 and 2022 to 233,000 tonnes in 2022. Although sales

increased, total Fairtrade cocoa sales in 2022 were only about 18% of total Rainforest Alliance sales and amounted to less than 5% of the estimated global production in 2021-2022. Data for 2023 were not yet available in October 2024.

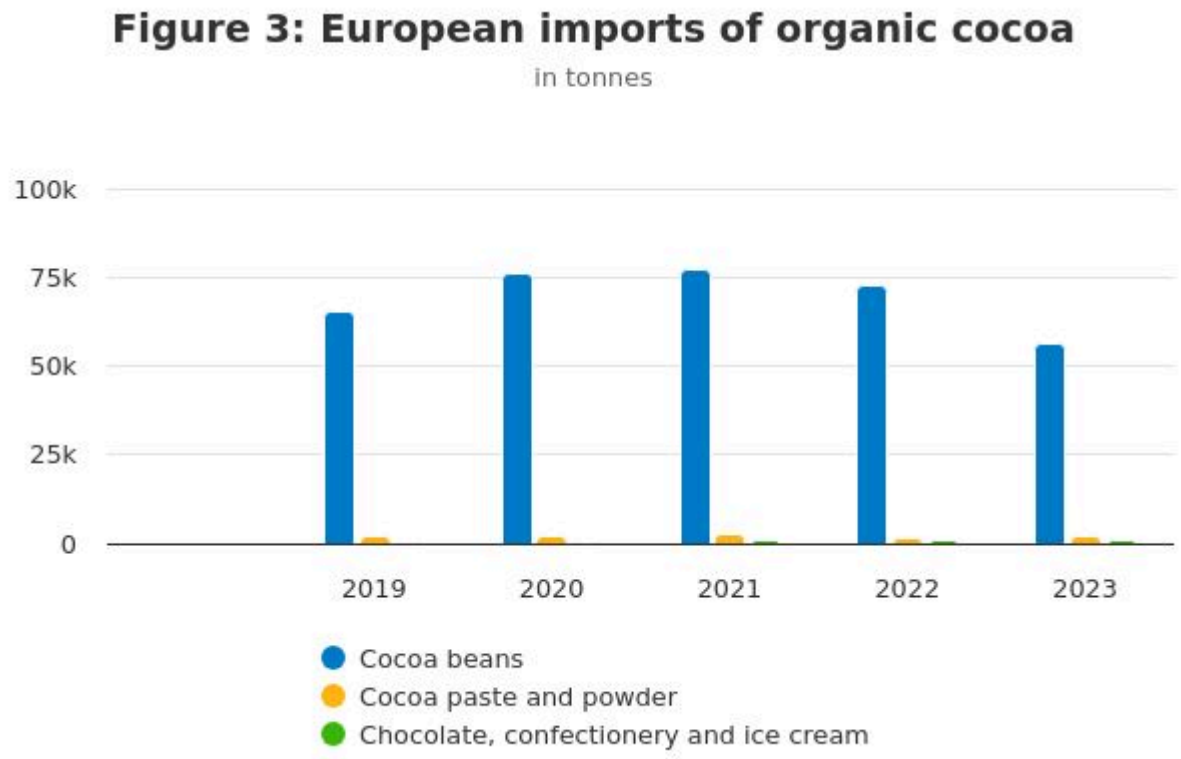
Figure 2: Rainforest Alliance and Fairtrade cocoa producer sales



Source: Rainforest Alliance Cocoa Certification Report 2023 and Fairtrade Products Dashboard

Most of the world's certified cocoa is shipped to Europe. In 2023, 75% of Rainforest Alliance cocoa was imported by Europe. The biggest European importers are the Netherlands, France, the United Kingdom and Switzerland. Europe is also the key market for Fairtrade cocoa. The United Kingdom and Germany are the largest markets for Fairtrade cocoa.

Europe also has a significant demand for organic cocoa, although this is decreasing slightly. The imports of organic cocoa beans decreased by 4% per year from 2019 to 2023. Total organic cocoa bean imports to Europe were 56,000 tonnes in 2023. Imports of cocoa paste, cocoa powder and chocolate increased during this time, but total volumes were much smaller than bean imports.



Source: TRACES 2024

Demand for certified and verified cocoa keeps increasing

Consumers in Europe are becoming more and more aware of sustainability. More than 80% of consumers are willing to pay more for a more sustainable product. Some research has shown that consumers are willing to pay almost 10% more for a more sustainable product. However, this is often not reflected in their purchases. The willingness to pay more does not always lead to actually paying more. In chocolate, taste is still more important than other attributes.

There is increasing attention for sustainability in cocoa. Initiatives on Sustainable Cocoa (ISCOs) are active in Belgium, France, Germany, the Netherlands and Switzerland. These are GISCO (Germany), the Swiss Platform for Sustainable Cocoa (Switzerland), DISCO (the Netherlands), Beyond Chocolate (Belgium) and the French Initiative for Sustainable Cocoa (France).

Many key chocolate companies and retailers are members of these ISCOs. Their members have committed to sourcing more sustainable cocoa. Rainforest Alliance and Fairtrade are also active members. ISCOs are making their goals and monitoring more and more similar.

While company sustainability standards are considered by some people as an alternative to certification, certification schemes were still seen as the main approach in 2024. Certification is still used as the main way to market chocolate as more sustainable. For exporters, this means that demand for certified cocoa should continue to increase in Western Europe.

Overall sales of organic products declined in 2021-2022, after growing each year since 2000. However, organic products are part of the Farm-to-Fork strategy of the EU Green Deal. The action plan for organic production includes the goal of increasing the consumption of organic products. This could lead to an increased demand for organic cocoa or chocolate products. New regulations were passed in 2022 to support this strategy.

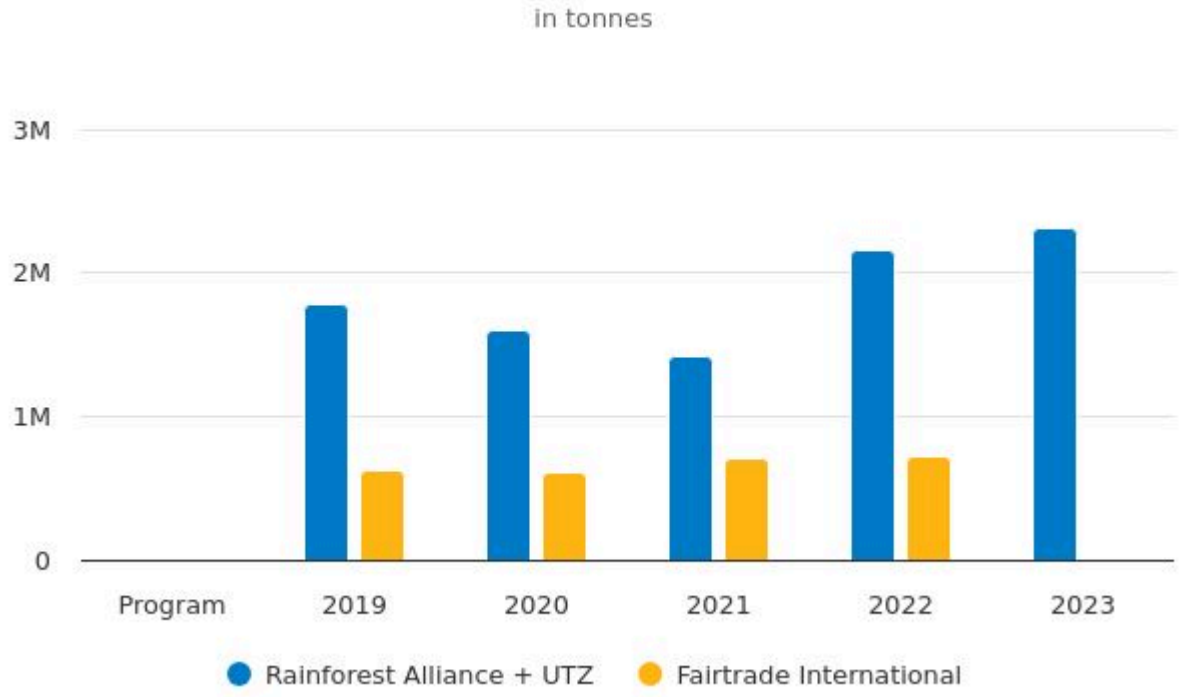
Production is also increasing to keep up with demand

The global production of certified cocoa also increased steadily from 2019 to 2023.

Rainforest Alliance certified production declined slightly in 2019-2021 but increased again in 2022-2023 at a rate of 4% per year. For 2019-2021, this calculation was made by combining Rainforest Alliance and UTZ production.

Fairtrade certified production also increased over this time. The increase was an average of 11% per year from 2019 to 2022.

Figure 4: Rainforest Alliance and Fairtrade certified cocoa production



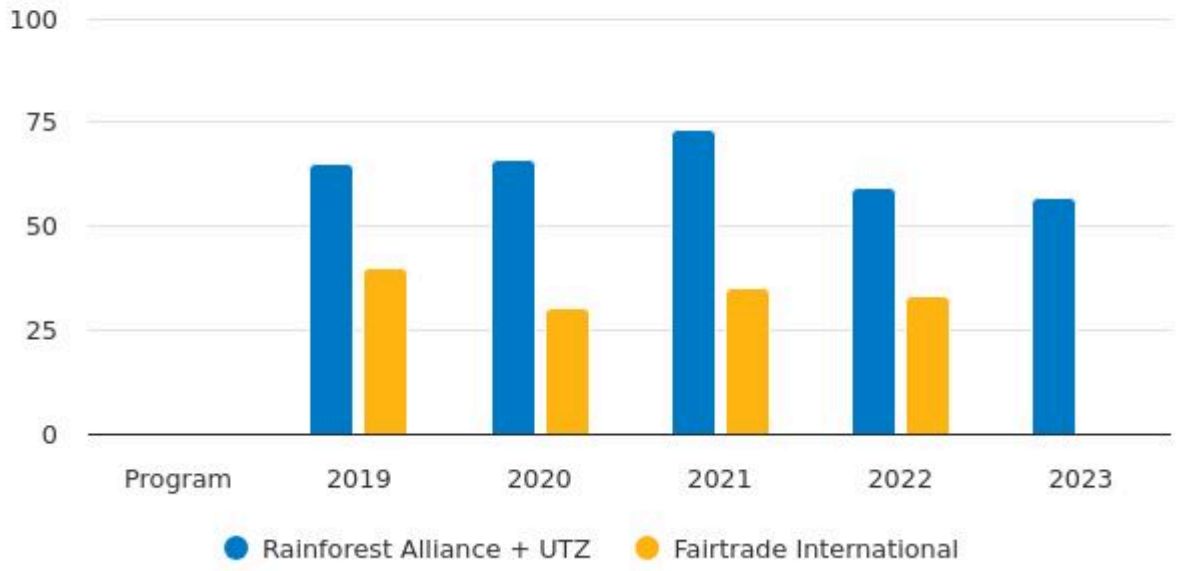
Source: Rainforest Alliance Cocoa Certification Report 2023 and Fairtrade Products Dashboard

Certification programmes are driven by the market. This means that an increase in demand should lead to an increase in supply. As demand is expected to increase, production volumes that meet certification standards are also expected to increase to keep up with demand.

Not all certified production is sold as certified. In 2023, Rainforest Alliance producers sold 57% of their cocoa production as certified, compared to 59% in 2022. The ratio was 33% for Fairtrade in 2022 (data from 2023 were not yet available).

Figure 5: Share of Rainforest Alliance and Fairtrade certified production that is sold as certified

in %



Source: Rainforest Alliance Cocoa Certification Report 2023 and 2021 (using the combined volumes for UTZ and Rainforest Alliance for 2019-2021) and Fairtrade Products Dashboard

Tips:

Before joining a certification programme, check with your existing and future buyers whether they require certified cocoa. Determine whether certification would give you a competitive advantage over other suppliers to the European market. Make sure that certification is economically possible and that it ensures long-term relationships with your buyers.

Find certified companies on the Rainforest Alliance and Fairtrade websites. Rainforest Alliance publishes a list of certificate holders. The Fairtrade Finder helps you find producers and businesses around the world that sell Fairtrade certified products. These lists can help exporters to find producers that sell certified cocoa, as well as possible buyers of certified cocoa.

See the Rainforest Alliance Cocoa Certification Data Report and Fairtrade Cocoa Dashboard for more information about certified supply and demand.

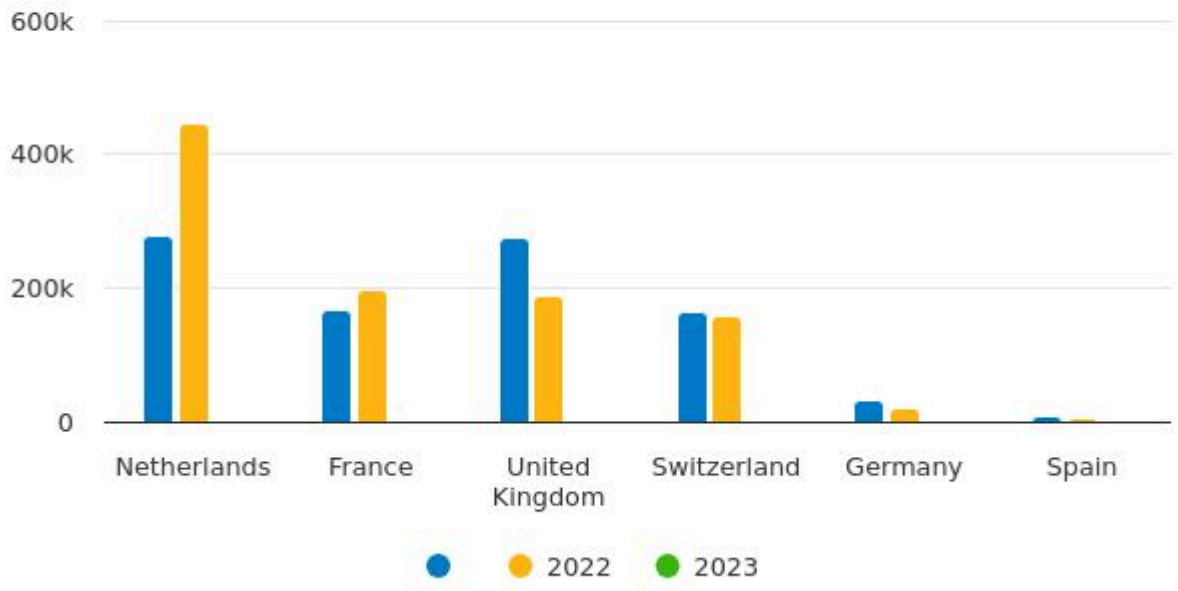
Find importers that specialise in organic products on the Organic-bio website. Read the Naturland manual for tips on how to grow organic cocoa.

3. Which European countries offer the most opportunities for certified cocoa?

The largest importing countries of Rainforest Alliance cocoa are the Netherlands, France, the United Kingdom (UK), Switzerland, Germany and Spain. A large share of this cocoa is shipped onwards to other European countries. The countries with the most Rainforest Alliance members are Germany, Italy, the Netherlands, Belgium and the UK. The UK and Germany are the largest markets for Fairtrade cocoa in Europe.

Figure 6: Rainforest Alliance certified cocoa imports

in tonnes



Source: Rainforest Alliance Cocoa Certification Report 2023

The Netherlands is the largest EU importer of organic cocoa beans, at 26,000 tonnes in 2023. They were followed by Belgium (17,000 tonnes), Italy (7,000 tonnes), Germany (4,000 tonnes) and Spain (2,000 tonnes).

This study will discuss the cocoa market in the Netherlands, Germany, the UK, France, Switzerland and Italy. Check the CBI overview Exporting cocoa and cocoa products to Europe for more insights into these and other European countries.

The Netherlands is the world's largest importer of certified cocoa

The Netherlands is the world's largest importer of certified cocoa. Around 20-25% of the global annual cocoa trade goes through the Netherlands. This share is even larger for certified cocoa. The Netherlands was responsible for more than one-third of all Rainforest Alliance sales in 2023. Most cocoa is re-exported from the Netherlands as beans, derivatives or chocolate. Only a small percentage remains in the Netherlands for consumption.

The Netherlands is a saturated (full) market for certified cocoa. 100% of the cocoa bought by retail members and small manufacturer members of DISCO is certified. The Netherlands was one of the most important markets for UTZ before the merger with Rainforest Alliance. Since the merger, consumers are also becoming increasingly aware of Rainforest Alliance, with 44% brand awareness in the Netherlands in 2023.

The Dutch market for organic products is growing. Even though the EU organic market declined in 2022, the organic market in the Netherlands grew by 4.4%. The Dutch organic market is expected to keep growing. Examples of Dutch organic chocolate brands include Chocolatemakers and Lovechock.

The Netherlands is a key import hub for organic cocoa. Organic cocoa bean imports increased a lot from 2019 to 2020. However, they decreased again between 2021 and 2023. This could be because Belgium is becoming a more important market for organic cocoa. Belgian imports increased while Dutch imports declined. For exporters of organic cocoa, the Netherlands and Belgium are the key targets.

Germany is one of the biggest markets for certified cocoa

Germany has a large market for certified cocoa, both for local consumption and for export to other European countries. Germany has one of the biggest chocolate markets in the world. Germany is Europe's fourth largest importer of Rainforest Alliance cocoa and the country with the most members. Rainforest Alliance brand awareness in Germany is 45%.

Retailers are a key target for certified cocoa. The German retail market is highly consolidated (merged). In 2020, Edeka-Group, Schwarz-Group (Lidl and Kaufland), REWE Group and Aldi (Süd and Nord) made up 80% of total food sales in Germany. These four retailers buy over 95% of their cocoa as certified. Edeka only buys certified cocoa. 96% of the cocoa sold at Lidl and 86% at Kaufland was certified in 2022-2023. 98% of the raw cocoa sold at REWE was certified in 2023, with a target of 100%. All private label products at Aldi Süd and 99% of cocoa products at Aldi Nord were certified. All these retailers use a combination of Rainforest Alliance and Fairtrade, with a smaller share of organic or niche labelling.

Most cocoa products are produced by private label manufacturers such as Stollwerck and Storck. Local importers include Albrecht & Dill Trading and Walter Matter. The biggest chocolate brands are Milka (owned by Mondelēz), Ritter Sport and Lindt & Sprüngli. Together, they account for more than 57% of the chocolate tablet market. All these companies buy and sell certified cocoa.

The UK has a high awareness of certification

Consumers in the UK have high awareness about certification. Rainforest Alliance has the highest brand awareness in the UK at 58%. The UK is also a major market for Fairtrade. Chocolate is the second-most popular Fairtrade product in the UK. Fairtrade chocolate is sold by many retailers and companies.

The UK does not have an Initiative for Sustainable Cocoa (ISCO). However, UK retailers co-founded the Retailer Cocoa Collaboration (RCC). The RCC has members across Europe, with several members in the UK. As part of the RCC, retailers assess their key suppliers on sustainability topics. They can then use this information when they choose their suppliers.

Importing cocoa to the UK has changed a lot since Brexit in 2020. Imports from the EU have become more difficult and time-consuming. The UK has therefore shifted to importing cocoa from outside the EU. For exporters, this provides more opportunities for direct exports to the UK.

Source: Eurostat and Trademap 2024

France has a growing certified cocoa market

France is an important target for direct exports. It is the second-largest importer of Rainforest Alliance cocoa and the fourth-largest European cocoa bean importer. France is also in the top 3 for imports of cocoa paste and cocoa butter.

France is one of the faster growing countries for certified cocoa. France has historically had lower volumes of certified cocoa, but this has increased in recent years. Rainforest Alliance imports increased by 15% to 198,000 tonnes in 2023. Fairtrade cocoa imports grew by 9% to 16,000 tonnes in 2022. Fairtrade is now sold by 36 French brands and 43 international brands in France.

The Fairtrade programme is well-known in France (also as Max Havelaar). France is one of the European countries with a lower brand awareness of Rainforest Alliance, at 31%. This is expected to increase as the attention for sustainability in France continues to increase.

Organic cocoa imports to France change from year to year. The total imports of organic cocoa beans were over 5,000 tonnes in 2020, 2021 and 2022. However, these imports were less than 500 tonnes in 2019 and 2023.

This could be due to the shipment dates (in December versus January) or imports to neighbouring countries. It could also reflect overall European imports, which were also lower in 2019 and 2023.

Switzerland is an important market for certified cocoa

Many companies in Switzerland are active regarding sustainability in cocoa. The Swiss cocoa initiative SWISSCO has almost 100 members. Together, they cover 95% of Swiss cocoa imports. They have invested over CHF 108 million(EUR 116 million per October 2024) in sustainability activities related to cocoa. Certification is an important part of this investment strategy.

SWISSCO members have committed to sourcing 100% of their cocoa imports from "sustainable production" by 2030. In 2023, 82% of all cocoa imported into Switzerland was sourced from "sustainable production". However, only around one third of the imported cocoa was certified. A larger share was imported through a company sustainability standard. The certified share has stayed stable, while the share following company sustainability standards has increased.

This could indicate that companies aim to achieve the 100% target in 2030 by increasing the volume of cocoa following company sustainability standards. But because one third of the cocoa market follows certification programmes, this is still an important market for exporters.

Italy has a small but growing market for certified cocoa

Over the last decade, Italy has bought a lower share of certified cocoa than other countries in Western Europe. However, this share has grown a lot in recent years. The Italian market for organic products is also growing, with 0.5% growth in 2022.

Italy has the second-most Rainforest Alliance members, with 171 members. These companies mostly import certified cocoa from other European countries. Italy only imported 3,500 tonnes of Rainforest Alliance cocoa directly from producing countries in 2023.

It is possible that Italy imports certified cocoa mostly as cocoa paste, cocoa butter or cocoa powder. Most of Italy's cocoa bean imports come from producing countries (88% in 2023). However, more than 90% of its cocoa paste, cocoa butter and cocoa powder imports come from other European countries. These are large volumes (39,000 tonnes of cocoa paste, 44,000 tonnes of cocoa butter and 24,000 tonnes of cocoa powder). Exporting certified cocoa paste, cocoa butter or cocoa powder to Italy could be interesting for exporters.

Italy does not have an Initiative for Sustainable Cocoa (ISCO). The sustainable and certified cocoa market is not as organised and structured as in other European countries. The sustainability goals are different and depend on the goals and targets of individual companies. Ferrero, Elah Dufour Group, Nestlé, Barry Callebaut and Perugina are examples of companies with manufacturing facilities in Italy.

Tips:

- If you can sell certified cocoa, then this could give you access to buyers with sustainability commitments. Look at which companies are members of the ISCOs. These companies might be more interested in cocoa that meets social and environmental sustainability requirements. For more information, read our study 9 tips to become more socially responsible in the cocoa sector.
- Find potential buyers per country by visiting the Fairtrade country websites. Lists of Fairtrade companies are available for France, Italy, the Netherlands and the UK.
- For more information about these European markets, read our studies on exporting cocoa to the Netherlands, Germany, the UK, France, Switzerland and Italy.

4. Which trends offer opportunities or pose threats in the European certified cocoa market?

The demand for cocoa that meets specific sustainability requirements keeps growing. Governments are creating stronger regulations on sustainability. It has become clear that certification alone is not enough to meet these demands. The impact of certification has been limited, and more is needed to make the cocoa sector truly sustainable. However, certification is likely to stay relevant as a tool in meeting this increase in demand.

Attention on sustainability issues keeps increasing

The consumer demand for more sustainable products keeps increasing. New regulations are also putting more attention on sustainability issues and stimulate demand. Companies are increasingly marketing the sustainability aspects of their products.

The demand for Rainforest Alliance and Fairtrade certified cocoa is expected to keep increasing in the coming years. The State of Sustainability Initiative expects the demand for voluntary sustainability standards to continue to grow, although this growth is uncertain and depends on many other developments.

An example of a cocoa supplier that has successfully worked with this trend is Kuapa Kokoo, a large farmer's union in Ghana. They have strong marketing around sustainability and certification. Kuapa Kokoo is Rainforest Alliance and Fairtrade certified. You can read about their work on the Fairtrade website. They sell to many of the world's largest companies. The cooperative is also a co-owner of Divine Chocolate, which markets chocolate products made from their cocoa beans.

The growth potential for organic cocoa is less clear. The total market for organic products stopped growing, as we described previously. However, the EU wants to encourage growth in organic agriculture. The short-term growth may be small, but it is possible that these investments will lead to long-term growth in the future.

Certification alone is never enough

Certification is currently used as the main way to address sustainability in cocoa. However, certification is not seen as the long-term answer. Research is showing that the impact of certification programmes may be limited. This is especially the case for wages, health and safety at work and workers' representation. The new generally agreed thought is that certification alone is not enough. More holistic solutions that cover the whole picture are needed to address sustainability issues. This message is also backed up by the certification programmes themselves.

In response, certification programmes are expanding their work beyond certification alone. Both Fairtrade and Rainforest Alliance have increased their advocacy work. They are even working together on this. They have also added work on landscapes, where the issues are addressed at a community or landscape level rather than through the supply chain alone. The long-term growth will depend on the role that certification can play to address sustainability issues in the sector in the future.

Exporters are also investing in efforts beyond certification alone. An example is Sunbeth Global, a cocoa exporter from Nigeria. Sunbeth is a member of Rainforest Alliance and sells certified cocoa. However, Sunbeth has also established an ESG (environmental, social and governance) policy that goes beyond certification alone. This includes a commitment to source 100% deforestation-free and to do due diligence checks on their suppliers.

There is potential for certification to help exporters comply with new

legislations

New legislation in the EU can help certification programmes stay relevant long-term. The most influential legislation in 2024 was the EU Regulation on Deforestation-free Products (EUDR). In December 2024, the European Union postponed EUDR implementation by one year, from 30 December 2024 to 30 December 2025. From that point on, companies need to prove that they are sourcing cocoa that is legal and from deforestation-free production regions. SMEs (small and medium-sized enterprises) have an extra six months to comply.

The EUDR states that certification can support companies with compliance. However, certification has limits to being used for EUDR compliance. Certification can be used to support due diligence systems, but it is not enough to show compliance with the EUDR.

Certification schemes have adjusted their programmes to help companies comply with the upcoming legislation. Rainforest Alliance supports EUDR compliance from farm to retailer. The Fairtrade scheme also supports the EU deforestation law and reflects the EUDR requirements. Read our study on Tips to comply with the EUDR in cocoa for more details about certification and the EUDR.

More laws and regulations will be implemented in the coming years. The Corporate Sustainability Due Diligence Directive (CSDDD) has already entered into force, and companies will need to start complying by 2027. The Corporate Sustainability Reporting Directive (CSRD) will apply to reports published in 2025.

Figure 9: Drone mapping (Rainforest Alliance)

Source: the Rainforest Alliance 2024

Companies are shifting from external certification to their own sustainability programmes and standards

Companies are increasingly shifting from certification programmes to company sustainability standards. In the 2010s, the focus was on certification, when many companies made 100% certification commitments. When

these targets were (partly) reached in 2020, companies started to shift to “ethically”, “responsibly” or “sustainably sourced” commitments instead of certification commitments.

Company sustainability standards often include a combination of approaches, which are usually defined by the company themselves. Companies are then no longer tied to specific certification programmes, giving them more programmes and suppliers to choose from. This can lead to increased flexibility, more control over their supply and lower costs.

This strategy often includes sourcing through company sustainability standards. For example, Ferrero’s commitment is 100% cocoa “sourced through independently managed sustainability standards, such as Rainforest Alliance, Cocoa Horizons, Fairtrade and others”. Cocoa Horizons is a company programme by Barry Callebaut, and the “others” are not publicly reported.

The ISCOs are also allowing company sustainability standards to support claims and commitments. These commitments are less transparent. Consumers cannot see which programmes are included.

In 2024, these company sustainability standards were not compared with certification programmes, like they have been in the coffee sector. The Global Coffee Platform (GCP) has developed the Equivalence Mechanism. This is a tool developed by GCP to assess whether a company standard can be considered equivalent to the Coffee Sustainability Reference Code. If this is also developed for cocoa, then it will have consequences for producers and exporters. It could reduce the importance of certification programmes and increase the options.

For exporters, it is important to understand the demands of your buyers. Exporters need to determine whether their buyers are interested in certification programmes or in a specific company sustainability standard. Some buyers also accept several different programmes or standards under their sustainability commitment. It can be helpful to ask which programmes or standards are accepted if a company uses a “basket approach” that includes several standards.

An example of producers that are benefiting from this trend are the cooperatives that take part in the Nestlé Income Accelerator Programme in the Ivory Coast. This pilot programme included households in two cooperatives. This was expanded to 18 cooperatives in 2022. Households in the programme receive a mobile money cash transfer for participating in each area of the programme. The programme has given several benefits to households, including an income increase of 38% after two years.

The impact of higher prices is still unclear

In 2024, the price of cocoa increased significantly. Prices rose from USD 2,000-3,000 per tonne in 2023 to over USD 10,000 per tonne in 2024. The price is expected to remain high in the short term. The major changes in the market make it hard to predict the prices long-term. However, some people are expecting the price to stabilise somewhere between the early 2023 price and the record-high price of 2024.

As a result of the price increase, some chocolate companies are increasing the price of their chocolate products. For example, the price of one chocolate bar at the biggest Dutch retailers went up by almost 50 cents in the first half of 2024. Some companies are also making their chocolate products smaller. Many of these European chocolate products have certified cocoa commitments. In 2024, it was not yet clear whether these price increases would have a positive or a negative effect on the demand for certified cocoa.

Tips:

- For exporters, it is important to track the short-term and long-term demand for certified cocoa. Speak to your buyers about their demand for certified cocoa in the coming years.
- Explore ways to address sustainability beyond certification alone. Work with others to set up landscape projects, community-based projects or other sustainability initiatives. Ask your buyers

whether they are interested in working together on a project. Setting up these projects and initiatives now can help you stay relevant if certification becomes less important on the European market.

Read the CBI studies about Building your business, which includes studies on finding buyers, doing business and organising export.

Track the developments of the EUDR and other regulations. There is a possibility that certification can help companies comply with these regulations. If this is the case, then demand for certification will continue to grow.

It is still unclear what effect the price increase will have on certified cocoa production and sales. Exporters should track the increase in the price of cocoa and chocolate. In the long-term, this could have both positive and negative effects on the certified cocoa market. In 2024, these effects were not yet clear.

Long Run Sustainability carried out this study in partnership with Ethos Agriculture on behalf of CBI.

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