

United Methodist Women Call on Hershey's to Raise the Bar!

What Is the Issue?

Seventy percent of the world's chocolate is grown on small farms in West Africa, including Ghana and the Ivory Coast (Côte D'Ivoire). Unfortunately, as poor farm families seek to maximize production they often enlist their children in cocoa production. Children are pulled into farm labor instead of going to school. An estimated 1.8 million children work on cocoa farms in Ghana and Côte D'Ivoire. Additionally, survey research suggests child trafficking for work in cocoa agriculture continues to be a problem in both Mali and Burkina Faso.

Twelve years ago, the images of children forced to work long hours on cocoa farms and the trafficking of children galvanized public opinion. In 2001, the world's major chocolate companies committed to ending child and forced labor in their cocoa supply chains. They signed the Harkin Engel protocol, with an action plan to eliminate the worst forms of child labor and forced labor from cocoa farms worldwide by 2005. The protocol was voluntary. It did not commit the industry to ending all child labor in cocoa production, only the worst forms of it. The parties agreed to commit significant resources to address the problem; to create a group to research labor practices; to establish a joint foundation to oversee efforts to eliminate the worst forms of child labor; and to set industry-wide standards of public certification that cocoa has been grown without using the worst forms of child labor.

However, ten years later, and after many years of research, the Payson Center for International Development at Tulane University found that hundreds of thousands of children in West Africa continue to labor on cocoa farms that provide the key ingredient for much of the chocolate consumed in the United States and around the world. In the Ivory Coast alone, there are an estimated 109,000 children engaged in the worst forms of child labor on cocoa farms and some 10,000 are victims of human trafficking or enslavement. Labor rights advocates continue to monitor the situation and have found that while progress has been made, all of the major companies are still lagging in terms of documenting the source of their cocoa and providing funding for development efforts. The U.S. Department of Labor has noted five West African nations whose cocoa may still be tainted by forced and/or child labor.



United
Methodist
Women

FAITH • HOPE • LOVE IN ACTION

Why Is Hershey's a Focus of the Raise the Bar Campaign?

Despite ten years of commitments from major chocolate companies, including Hershey, to take responsibility for their cocoa supply chains child labor, forced labor and human trafficking continue. It is clear that without an independent third party to verify conditions at the source of cocoa production, there is no way to stop the use of child labor. While some companies, including Mars and Nestlé, have begun to put in place third-party certification systems, Hershey lags behind its competitors. It is time for Hershey to take the lead in eliminating the abuse of children in its products and to begin sourcing fair trade certified cocoa.

Is This a Boycott or an Attack on Hershey's?

No. The Raise the Bar Campaign tells Hershey, "We like your chocolate; we like your history of philanthropy, and we think you can do better. As an industry leader you should also lead the way in setting standards, including verification that the chocolate we love is not made with child labor." We are consumers using our purchasing power to let the company know of our concerns.

What Does the Campaign Ask of Hershey?

- Take immediate action to eliminate forced and child labor from its supply chain;
- Commit to sourcing 100 percent fair trade certified cocoa beans in 2012 for at least one of its five top-selling chocolate bars;
- Commit to making at least one additional five top-selling bar 100 percent fair trade certified every two years thereafter, so that Hershey's five top-selling cocoa bars will all be 100 percent fair trade certified within ten years;
- Commit that the majority of Hershey's cocoa across all products will be fair trade certified by 2022.

Why Is United Methodist Women Involved?

As a faith-based women's organization concerned about women, youth and children, United Methodist Women has long fought against child labor. The United Methodist Book of Resolutions says that "The protection of childhood and the nurture of children are among our most sacred human responsibilities," and calls on United Methodists to uphold the human rights of children, including through consumer initiatives. (The United Methodist Book of Resolution 2008, Eradicating Child Labor #3083) Through our work of service and advocacy in mission to women, youth and children, we see it as our Christian responsibility to challenge companies that profit from child labor and slave labor, which is out of line with our values and faith.

In addition, United Methodist Women supports United Methodist policy to strengthen international law. The United Nations Convention on the Rights of the Child calls on nations that have signed the convention to “recognize the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or interfere with the child’s education.” In 2002, the United Nations adopted a set of minimum standards for businesses to observe. The International Labor Organization (ILO) has set minimum ages for employment. The ILO has prohibited the worst forms of child labor in all circumstances.

How Has Hershey’s Responded?

In 2012, Hershey announced several educational and development initiatives to support small cocoa farmers in West Africa.

United Methodist Women joins the Raise the Bar campaign in welcoming these significant initiatives, which are a constructive first step in acknowledging the problem of child labor, the need for third party certification and the importance of supporting small farmers in West Africa. At the same time, these are very small steps in scale and impact in terms of Hershey’s overall inputs and profits. We welcome the opportunity for continued dialogue with Hershey about how they can put in place a detailed plan leading to certification of 100 percent of its cocoa supply.

Below are the initiatives as announced in Hershey’s press release and some concerns raised by labor rights advocates:

1. Hershey will assure that Hershey’s Bliss and Dagoba chocolates are independently certified by the Rainforest Alliance as coming from fair trade farms.

This is great news! It is an important acknowledgement of the reality of child labor in cocoa supplies and the need for independent certification. Unfortunately, Dagoba and Bliss products probably represent less than 1 percent of Hershey’s annual sales and cocoa purchases. If true, that means 99 percent of Hershey’s chocolate is still uncertified and likely to include cocoa produced with child labor.

While we welcome this important step, we urge Hershey to set in place a specific plan for certification of all of its cocoa supply. Mars and Ferrero have committed to certify 100 percent of its cocoa supply as produced in a sustainable manner by 2020. Nestlé has asked the Fair Labor Association to examine its supply chain for child labor and issue a public report this spring. Additionally, Kraft-Cadbury has taken the step to make one quarter of its Cadbury Dairy Milk bar global sales fair trade certified.

There are also limits to Rainforest Alliance certification. Fair trade independent third-party certification addresses poverty, sustainability and empowerment of producers (and workers) in the world's poorest countries through guaranteed minimum prices plus an additional social premium to be invested in community development. Rainforest Alliance certification, also independent third-party, encompasses all aspects of sustainability as well, but does not offer guaranteed prices, relying instead on the farmers' capacity to increase yields and efficiency and negotiate for themselves in the global marketplace. According to Rainforest Alliance's website, "Fair trade labeling standards are designed to tackle poverty and empower producers in the world's poorest countries, giving them a guaranteed price for their products. Rather than emphasizing how products are traded, Rainforest Alliance certification... focuses on how farms are managed." The limit of this approach is that farmers may increase yields but that does not guarantee increased income. In fact, more cocoa production can easily lead to a drop in prices and less income for farmers.

2. Hershey will expand its CocoaLink mobile phone program from Ghana to the Ivory Coast.

CocoaLink is a text messaging program designed to increase farm productivity and improve social conditions for farmers. According to World Cocoa Foundation Communications Manager Marisa Yoneyama, "CocoaLink is possible through a public-private partnership between the Hershey Company, the World Cocoa Foundation (WCF) and the Ghana Cocoa Board." The project will use text messaging to convey technical skills and information about current growing conditions to cocoa farmers.

To date, Hershey has invested approximately \$500,000 in CocoaLink. The idea is that by increasing yields, farmers will have more income and the need for child labor will decrease. However, as noted above, without minimum prices for cocoa, higher yields can in fact reduce income for farmers, benefitting Hershey's bottom line but hurting small farmers in West Africa. This initiative in itself will not necessarily lead to the reduction in the use of child labor. We invite Hershey to monitor the project and provide verifiable data to demonstrate the effectiveness of the program both in terms of increased yields and in terms of preventing child labor. Even if proven effective, it will be important to bring these small initiatives to scale if they are to impact the bulk of cocoa production in the region.

3. Hershey will open a Learn to Grow Farm and Family Development Center in Ghana.

Hershey's new initiatives reflect their concern that West African cocoa farms are comparatively unproductive. They believe that farmers can increase yields per hectare

by adopting better farming techniques. They anticipate that increased yields will increase farmers' incomes, bringing farmers out of poverty and alleviating the need for child labor. As noted above, this is not necessarily the case. Producing more cocoa on a large scale is likely to depress prices.

Ghana's program to expand cocoa production triggered a 48 percent drop in the international price of cocoa between 1986 and 1989. In some cases increased productivity is due to more intense labor rather than greater efficiency. Data gathered by the International Labor Rights Forum in 2006 regarding the Sustainable Tree Crops program, which claimed to have increased farm yields by up to 40 percent, shows that this success came at a cost to farmers, who, in some areas, had to more than double the amount of labor needed in order to get just a 30 percent increase in yields, thus reducing overall productivity per labor input. Farmers might actually seek more cheap labor, child labor and/or slave labor in order to increase their yields.

While Hershey's efforts to aid productivity for small scale cocoa growers in West Africa are admirable, the company does not have the best track record in this regard. Author Carol Off writes in *Bitter Chocolate* that in Belize, Central America in the early 1980s, Hershey's promised high prices to cocoa farmers. It encouraged them to take out debt based on higher income, but ultimately paid the farmers only a third of the price that had been guaranteed. Many farmers left their cocoa to rot in the fields, rather than sell to Hershey's at this unfair price. Farmers were left holding the debt. She also notes that when the Ivory Coast government attempted to maintain a fair price for cocoa, Hershey hoarded cocoa beans for the sole purpose of flooding the world market to crash the price of cocoa.

Given this history, it is unclear how much these new initiatives will directly benefit cocoa growers, and how much they are aimed at increasing yields and lowering prices for Hershey's cocoa inputs—which will also increase Hershey's profits. Any model that chooses short-term gain for individual farmers over community development will not produce the conditions necessary to eliminate trafficking and forced child labor.

4. Hershey will invest \$10 million by 2017 to reduce child labor and improve cocoa supply in West Africa.

We see this as a very welcome step towards addressing the situation. However, this breaks down to \$2 million per year, and it is not clear how much of it is newly committed funds and how much is counting pre-existing programs. It is a small amount in comparison with the \$10.6 million that Hershey's CEO made in 2011. It is a small amount in comparison with the 6.1 billion in profits that Hershey's made in 2011. It's a good start, but a small start!

In comparison, in March, 2012 Barry Callebaut (Callebaut is a cocoa processor and trader) launched a \$41 million cocoa sustainability initiative to boost farm productivity, increase quality and improve family livelihoods in key cocoa producing countries in West and Central Africa and Indonesia over 10 years. Blommer Chocolate Company, the largest cocoa processor and ingredient chocolate supplier in North America, recently announced its plans to invest \$45 million in cocoa sustainability efforts by 2020. In 2009, Nestlé announced it would invest \$110 million over a 10 years period to boost its sustainability initiatives in cocoa.

In addition, there are questions about how much of the investment in CocoaLink and Learn to Grow (below) will directly benefit farmers. A significant portion of the funds would need to go to technology and creating the messaging for farmers. How much of this will be contracted in Ghana and Ivory Coast rather than in the US? How much will go to telecom providers? How much of the funds will directly reach growers?

How has United Methodist Women engaged in the campaign?

1. United Methodist Women is collaborating with the Raise the Bar Hershey's Campaign to call on the company to fulfill its commitment to guarantee fair labor practices. UMW is a member of the Child Labor Coalition, which also addresses child labor in cocoa production.
2. In June, 2011, United Methodist Women deaconesses joined a Raise the Bar rally at the Hershey's store in Times Square, New York City on the occasion on the International Day Against Child Labor. They joined elementary and high school students and Kerry Kennedy Cuomo in a call for Hershey's to end the illegal use of child labor in its chocolate production.
3. United Methodist Women disseminated the campaign through Facebook and the United Methodist Women online community and members began sending e-mails to the company in June, 2011. United Methodist Women executive Harriett Jane Olson sent letters to the editor of New York newspapers and USA Today on September 19, 2011 to mark the ten-year anniversary of the signing of the Harkin-Engel Protocol -- an agreement by the country's largest chocolate companies to put an end to forced child labor on cocoa farms in West Africa by 2005. She noted that Hershey's failure to verify the source of its chocolate undermines Hershey's brand image.
4. In 2011, Hershey's Vice President for investor relations visited United Methodist Women and met with the staff to explain Hershey's policies and dialogue about the concerns of United Methodist Women. Hershey informed United Methodist Women

that it is currently engaged in development in Africa, including Malaria No More, text message programs for Ghana cocoa growers and Save the Children. While agreeing to investigate any reports of child labor violations in West Africa, they have not directly addressed the violations of subcontractors nor discuss concrete pathways for fair trade certification. When the company hires middlemen to purchase cocoa for its products, it can claim that the growers, including children, are not their employees and there is little they can do. However, as one of the largest buyers of chocolate in the world they have considerable leverage. If they knew the source of their cocoa and refused to buy chocolate from anyone utilizing child labor, they could go a long way to end the practice.

United Methodist Women across the country have participated in campaign activities on Halloween, Valentine's Day and Easter, informing friends of the importance of certifying that chocolate is fair trade.

In preparation for the Northeast Jurisdiction United Methodist Women gathering in Hershey, PA in June, 2012, UMW leaders initiated a postcard campaign. The cards call on Hershey's to "Adopt fair trade certification/standards for all of Hershey's chocolate products, and move aggressively to sign contracts with your current suppliers detailing fair trade transition plans." The Jurisdictional President, Sabrina White, has been in dialogue with Hershey leadership about our concerns. As a mission opportunity, some United Methodist Women members will have the opportunity to dialogue with Hershey at the Hershey Lodge in June, and will share postcards at that time.

Text by United Methodist Women in conjunction with the Raise the Bar Campaign: International Labor Rights Forum, Global Exchange and Green America

Learn More

Investigate some of the research upon which this article is based. Visit some of the websites and articles:

www.childlabor-payson.org

A January 2012 CNN story and videos on child labor, trafficking and slavery in the cocoa fields: <http://thecnnfreedomproject.blogs.cnn.com/2012/01/19/child-slavery-and-chocolate-all-too-easy-to-find/> ; <http://www.youtube.com/watch?v=eHDxy04QPqM>

<http://laborrights.org/stop-child-labor/cocoa-campaign>

<http://www.hersheycocoasustainability.com/>

<http://www.businesswire.com/news/home/20120130005249/en/Hershey-Expands-Responsible-Cocoa-Community-Programs-West>

www.raisethebarhershey.org

United Methodist Women say Yes to Fair Trade Chocolate, UMW News, Vol. 4 #3]

<http://www.facebook.com/UMWomen>

<http://economic-justice.umwonline.net/>

See <http://economic-justice.umwonline.net/>] In December, 2011 Harriett Olson shared this call in her column in Response magazine <http://new.gbqm-umc.org/umw/response/articles/item/index.cfm?id=717>