

Mars, Incorporated Supports 14,000 Cocoa Farmers on a Path to a Sustainable Living Income by 2030

Mars will apply key learnings from programs in mint and other raw materials to tackle income inequities in cocoa farming with support from Fairtrade, USAID, I4DI and ECOOKIM

CHICAGO Mars Incorporated, a maker of chocolate for more than 100 years, today announced a new effort to improve the livelihoods of smallholder cocoa farmers. Two groundbreaking, farmer-first programs will aim to support 14,000 smallholder farmers in Côte d'Ivoire and Indonesia on a path to a sustainable living income in the next eight years. These programs were designed in consultation with cocoa farmers and development partners and build on lessons learned from Mars' recent efforts to improve livelihoods for farmers of mint and other raw materials. The findings from these new programs will be used to create a blueprint of interventions that Mars can scale across the cocoa supply chain.

"Ten years ago, Mars decoded the cocoa plant genome for the first time. Today we are aiming to crack the code on a sustainable living income for cocoa farmers to enable them and their families to thrive for generations," said Barry Parkin, Mars Chief Sustainability and Procurement Officer. "Efforts to improve farmer livelihoods based on stopgap measures or single issues in isolation will not create the change that is required. Farmers may understand what needs to be done to improve their crops and their livelihoods but might not have the market support to make those changes. In this new effort, we are committing to help remove the obstacles in their path, particularly lack of access to finance and the need to adapt to climate change."

Working with a network of leading organizations—including Fairtrade, the United States Agency for International Development (USAID), Institute for Development Impact (I4DI), and ECOOKIM, a Fairtrade Cooperatives Union that Mars has sourced from for several years—Mars will embark on what it believes could be the industry's most comprehensive effort to date designed to address persistent barriers to cocoa farmers' ability to achieve a living income.

Most cocoa today is grown on small family farms with little access to electricity, clean water, reliable roads, or quality schools. Compounding these challenges are negative effects of climate change and persistent market failures, such as disconnection from formal financial systems, underdeveloped cooperative management practices, unsustainable prices, and lack of alternative income sources to offset market volatility. These obstacles can leave cocoa farmers in poverty, unable to invest in or grow their businesses due to factors beyond their control. Despite past industry efforts to improve farmer livelihoods, the unfortunate reality is that smallholder farmer poverty has not been eradicated.

The [Farmer Income Lab \(FIL\)](#), a "think-do" tank founded by Mars, reviewed more than 1,500 studies detailing common interventions to increase farmer income and found only three of them raised incomes by more than 50 percent and could be sustained over time. Mars will apply these findings in a new test-and-learn approach that combines best-practice interventions to unlock the entrepreneurship of farmers, diversify income streams, and improve productivity to enhance farm resilience and accelerate incomes, with the aim of scaling successful measures more widely.

FIL research shows there is benefit in going beyond selective, short-term interventions which are not fully effective at achieving sustainable change, so Mars aims to drive long-lasting systemic impact through programs that:

- Bundle interventions—such as access to financial tools like below-market loans and mobile banking, agroforestry practices to address both climate change mitigation and adaptation, and income diversification measures—to address barriers to achieving a living income
- Customize approaches to meet farmers’ unique needs as opposed to one-size-fits-all approaches
- Prioritize long-term, equitable sourcing to provide financial security
- Strengthen farmer cooperatives and market access for cocoa and other farm and non-farm goods

To further inform this effort, Mars will draw on key learnings from programs such as its Shubh Mint project, which was designed to improve incomes from mint for more than 20,000 smallholder farmers in Uttar Pradesh, India. Since its inception, the program has led to an increase in net mint crop income of over 250% and reduced the cost of production by more than 20%. The program includes interventions such as training farmers on Good Agricultural Practices; establishing four self-sustaining Farmer Producer Companies; and engaging over 8,000 women through women farmer groups (WFGs) and self-help groups (SHGs).

Mars is also working with Fairtrade and others to co-create programs for farmers tailored to varying sizes of smallholdings in different environments, contexts, and markets to meet farmers’ specific challenges with customized combinations of interventions. Mars intends to forge new approaches and share its findings—including what works, and what doesn’t—to help the wider industry collectively leapfrog challenges, achieve solutions that drive systemic change, and define a sustainable path toward a living income.

“Cocoa farmers and their families are struggling to make ends meet due to the changing climate, poor soil quality and long-term low prices,” said Michael Gidney, Fairtrade Foundation CEO. At Fairtrade, we believe all farmers should get the incomes their hard work deserves, and we know new, farmer-centered approaches are needed to transform global supply chains. As a result, we’re excited to be working with Mars to launch a major new program to support West African farmers improve their livelihoods and move towards a living income, regardless of their starting position. This program builds on Mars’ ongoing commitment to sourcing Fairtrade cocoa for some of our favorite sweet treats. By investing in strengthening cocoa co-operatives, widening access to finance, and supporting farmers in diversifying their incomes, together, we hope to achieve deeper impact for farming households.”

“As the prime implementing partner of ACTIVE, the Institute for Development Impact (I4DI) is delighted to work with Mars to bring lessons learned from cocoa supply chains in Ghana and Indonesia into this project,” said Azra Kacapor Nurkic, I4DI CEO. Our ambition is to shape the strategic direction of cocoa sourcing decisions and allow industry players to improve the environmental and economic well-being of farming families. Through ACTIVE, Mars and I4DI are testing best in class approaches to increase cocoa productivity, preserve forests, and provide a living income for farming families today, while creating a pathway to a sustainable cocoa supply chain for generations to come. As the long-term Monitoring Evaluation and Learning (MEL) partner of Mars and its Farmer Income Lab, I4DI’s aim is to pilot, gather evidence, and scale up the most promising interventions in ACTIVE to increase farmer incomes and improve biodiversity in Sulawesi. We are confident that ACTIVE will help shape the cocoa industry in Indonesia and beyond for years to come.”

LEAP (Livelihood Ecosystem Advancement Program) - Côte d’Ivoire

Mars, Fairtrade and ECOOKIM are embarking on a holistic development journey to achieve and maintain a living income for cocoa growing communities. Drawing on more than 10 years of collaboration between the project partners, the LEAP program intends to address past market failures and permanently improve outcomes for farmers. This unique initiative integrates measures that promote systemic change. The goal is to establish the fastest, most efficient, most viable route to a living income for all cocoa farmers.

LEAP Program Snapshot:

Collaborating Partners: Fairtrade, ECOOKIM, Ministry for Foreign Affairs of Finland
Duration: 5 years
Reach: 5,000 farmers
Impact Ambition: Aims to help more than 70% of participating farmers achieve a living income by 2030. This would translate to over 100% income growth for most participating households and would help transform the rural economy to sustain incomes and economic growth beyond the program.

Innovation Focus:

- Farmer segmentation strategy, activity bundling, and living income growth streams to meet unique farmer needs
- Cooperative strengthening with expanded capacity, business sustainability, and improved service delivery provision (i.e., training/coaching, governance, access to inputs, market access) to provide members with support needed to thrive
- Diversified household income with both on-farm and off-farm activities, specifically focusing on women entrepreneurship and market-linked supply chain development
- Expanded access to affordable finance through digital banking, a revolving micro-finance facility, and introduction of village savings and loan associations

ACTIVE (Advancing Cocoa Agroforestry Towards Income, Value & Environmental Sustainability) - Indonesia

This alliance of collaborating partners aims to promote cocoa agroforestry practices that address both climate change mitigation and adaptation, while improving smallholder farmer livelihoods. I4DI, Mars, and USAID co-designed ACTIVE with the aim of providing farmers with access to appropriate technologies, market infrastructure and improved financing. ACTIVE builds on evidence gathered by Mars and I4DI over a six-year period and is expected to equip farmers and their families with alternative business models and take promising practices to scale for improved climate resilience and household incomes.

ACTIVE Program Snapshot

Collaborating Partners: USAID, I4DI
Duration: 4 years
Reach: 9,000 farmers

Impact Ambition: Projected to increase income of participating farmers by up to 15% over four years and reduce by 20% the number of participating farmers living below the living income benchmark.

Innovation Focus:

- Equipping farmers to deploy scalable and evidence-based agroforestry systems to strengthen biodiversity and improve cocoa production
- Facilitating a more diversified cocoa-farming ecosystem through recommending viable short-term and long-term crops, helping farmers acquire knowledge and tools to support these diversified crops, and working with local government, trade, and the private sector to facilitate a market to offer alternative income sources
- Supporting financial inclusion and enabling farmers' access to digital financing and crop insurance solutions to help finance the shift towards a diversified cocoa-farming ecosystem
- Convening a diversified group of key government, industry, and farmer groups to help create the market and regulatory conditions necessary for diversified cocoa-farming ecosystems to succeed
- Implementing community-led approaches to foster socially and environmentally sustainable cocoa farming

Mars' \$1 Billion investment in its Cocoa for Generations Strategy:

In 2018, Mars announced a \$1 billion investment in its **Cocoa for Generations** strategy, to create a modern, inclusive, and sustainable cocoa supply chain, where everyone has the opportunity to thrive, human rights are respected, and the environment is protected for generations to come. These new, innovative programs build on Mars' existing efforts and work towards its goal of sourcing 100 percent of its cocoa through its Responsible Cocoa program by 2025.

To learn more about Mars Wrigley's efforts to improve farmer livelihoods and sustainable farming practices under its *Cocoa for Generations* strategy, visit www.mars.com/sustainability-plan/cocoa-for-generations.

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ABOUT MARS, INCORPORATED

For more than a century, Mars, Incorporated has been driven by the belief that the world we want tomorrow starts with how we do business today. This idea is at the center of who we have always been as a global, family-owned business. Today, Mars is transforming, innovating, and evolving in ways that affirm our commitment to making a positive impact on the world around us.

Across our diverse and expanding portfolio of confectionery, food, and pet care products and services, we employ 133,000 dedicated Associates who are all moving in the same direction: forward. With \$40 billion in annual sales, we produce some of the world's best-loved brands including DOVE®, EXTRA®, M&M's®, MILKY WAY®, SNICKERS®, TWIX®, ORBIT®, PEDIGREE®, ROYAL CANIN®, SKITTLES®, BEN'S ORIGINAL™, WHISKAS®, COCOAVIA®, and 5™; and take care

of half of the world's pets through our pet health services AniCura, Banfield Pet Hospitals™, BluePearl®, Linnaeus, Pet Partners™, and VCA™.

We know we can only be truly successful if our partners and the communities in which we operate prosper as well. The Mars Five Principles – Quality, Responsibility, Mutuality, Efficiency, and Freedom – inspire our Associates to take action every day to help create a world tomorrow in which the planet, its people, and pets can thrive.

For more information about Mars, please visit www.mars.com. Join us on [Facebook](#), [Twitter](#), [Instagram](#), [LinkedIn](#) and [YouTube](#).

MEDIA CONTACTS:

Mars Wrigley

Prita Wadhvani (Chicago)