



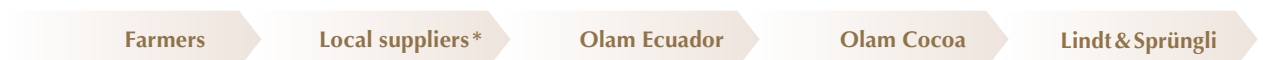
LINDT & SPRÜNGLI

Lindt & Sprüngli Farming Program Factsheet Ecuador with Olam – Cocoa Season 2017/18

The **project aim** is to establish a traceable and sustainable fine flavor cocoa supply chain in Ecuador, and offer agricultural products and services to a total of 5,175 fine flavor cocoa farmers by end September 2019, enabling them to professionalize their farming practices with fine flavor cocoa, leading to increased yields and income, and ultimately improve their livelihoods (**initiated in** October 2014). **Partner organizations:** Olam/Outspan Ecuador S.A., INIAP, Lindt Cocoa Foundation, MAGAP, local universities

This factsheet outlines the project content of the Lindt & Sprüngli Farming Program with the supplier Olam in Ecuador.

Supply Chain (bean flow / ownership)



* (community based purchasing clerks)

Step 1: Traceability and farmer organization

Project content	Description
Organizing farmers in farmer groups ¹⁾	Cocoa farmers are organized around local independent village based suppliers (purchasing clerks). Further, they are organized in groups for trainings and other project activities.
Farmer registration ¹⁾	Farmers are registered in the Program and sign an agreement contract outlining the details of the program. Baseline information on farmers and their farms (incl. GPS location) are collected and recorded in a database tool (Olam Farmer Information System – OFIS).
Traceability ¹⁾	100% of cocoa deliveries are traceable back to the farm level. Respective fermentation boxes, drying areas and storages of purchasing clerks who handle project beans are labelled with “L & S”.

Step 2: Training and knowledge transfer

Project content	Description
Farmer professionalization through training services ¹⁾	Farmers receive training on good agricultural, social and environmental practices following a curriculum of 6 modules (during their first years in the Program, afterwards a condensed version of the course every year based on adoption and results). Also, basic farm business skills including cash flow management, investments and book management are covered. Business skills are covered across the 6 modules as a cross functional training. The training includes theoretical trainings in classrooms, farmer field schools (practical trainings on farms) and individual trainings.

Legend: ¹⁾ = All farmers covered, ²⁾ = Upscaling; ³⁾ = Testing phase of innovations; ⁴⁾ = Newly planned, not yet started



LINDT & SPRÜNGLI

Project content	Description
Farmer coaching ²⁾	Farmers receive individual farm visits for personalized GAP advice on how to improve their farm and to give feedback in subsequent years.
Model farms ²⁾	Best practice demonstration and sites where farmers learn about soil sampling and fertilization. Soil management plans are developed for the community and fertilizers are distributed based on the model farm.
Capacity Building of Agronomists/ Extension Officers ¹⁾	<p>Agronomists/Extension Officers annually receive training by INIAP, 3rd parties such as (Naturaplus, BCS) (train the trainer). In addition, extension officers also receive monthly training on new aspects of the program like new functionalities in the OFIS database tool, rehabilitation, setting up of community nurseries, etc.</p> <p>A new extension officer goes through a month long induction course on the different aspects of the program.</p>

Step 3: Farmer investments and community development

Project content	Description
Farm renovation (=farmer led seedling nurseries and seedling distribution) ²⁾	<p>Farmers are supported in setting up community nurseries for improved (high yielding and disease resistant) cocoa seedlings.</p> <p>Fine flavor cocoa seedlings are also distributed to farmers (for free) and farmers receive a pre-distribution and post-distribution training.</p> <p>Farmers receiving the seedlings also get a renovation pack, which includes all materials needed to take care of the seedlings for 1 year.</p>
Shade Tree Distribution	<p>Shade trees are distributed to farmers based on two approaches:</p> <ul style="list-style-type: none"> — 30 shade trees distributed for each Ha of cocoa seedlings received by a farmer — Shade trees of native species were distributed to some farmers in collaboration with MAE to be planted next to riverine areas to reduce contamination of water sources
Diversification of income	<p>Income generation activities are being carried out in communities to provide farmer groups with other sources of income apart from cocoa. This helps them to be more resistant to fluctuation in prices of cocoa.</p> <ul style="list-style-type: none"> — Apiaries — Vegetable nurseries — Distribution of fruit trees
Increasing use of organic inputs	<p>Increasing use of organic materials in farms and implementation of organic material production units in communities</p> <ul style="list-style-type: none"> — Organic fertilizer production units — Micro-organisms production units — Insect traps
Farm Rehabilitation (Grafting) ²⁾	In a practical training session, farmers learn how to rehabilitate their remaining farm with improved varieties (=grafting).
Drying and fermentation equipment ²⁾	Besides the training on best practices for post-harvest techniques, some program farmers and purchasing clerks receive solar and gas driers in order to improve the quality of the cocoa.

Legend: ¹⁾ = All farmers covered, ²⁾ = Upscaling; ³⁾ = Testing phase of innovations; ⁴⁾ = Newly planned, not yet started



LINDT & SPRÜNGLI

Project content	Description
Grey water systems	Grey water filtration systems are being set up in some farms, near the houses to reduce the spillage and accumulation of dirty water in the farms and near the houses. Trainings are also conducted about the use of grey water filtration systems in protecting the health of the families and the farm around them.
In-kind farmer premium ¹⁾	Farmers receive in-kind premium in form of planting equipment, tools, community farming infrastructure (organic insecticide production system or water filtration system) or inputs like pruning machines or fertilizers, depending on volumes sold by village based supplier and participation in the training program. During the distribution ceremony, third party companies conduct trainings on how to use the inputs.
Input on credit ¹⁾	Purchasing clerks have the possibility to receive interest free loans for fertilizer and pesticide procurement and pass it on to the farmers who need/can/want in the form of inputs.

Step 4: Verification and continuous progress

Project content	Description
Internal monitoring ¹⁾	Yearly internal performance monitoring (annual Olam and Lindt survey) on each farm by Olam staff.
Internal audit	Yearly internal audit on 10% of farms by Olam staff.
External assessment ¹⁾	Yearly Program verification by The Forest Trust.

Legend: ¹⁾ = All farmers covered, ²⁾ = Upscaling; ³⁾ = Testing phase of innovations; ⁴⁾ = Newly planned, not yet started



LINDT & SPRÜNGLI

Lindt & Sprüngli Farming Program Factsheet Ecuador with AD Sanchez – Cocoa Season 2017/18

The **project aim** is to establish a traceable and sustainable cocoa supply chain for fine flavor cocoa from Ecuador, and offer agricultural products and services to a total of 2,000 fine flavor cocoa farmers by the end of 2020, enabling them to professionalize their farming practices with fine flavor cocoa, leading to increased yields and income, and ultimately improve their livelihoods (**initiated in** October 2015). **Partner organizations:** A & D Sanchez Cocoa, Albrecht & Dill Trading GmbH, CORPEI, INIAP, Prefectura de Los Rios, Lindt Cocoa Foundation. **Number of field staff:** 5
This factsheet outlines the project content of the Lindt & Sprüngli Farming Program with the supplier AD Sanchez in Ecuador.

Supply Chain (bean flow / ownership)



Step 1: Traceability and farmer organization

Project content	Description
Organizing farmers in farmer groups ¹⁾	Cocoa farmers are organized in groups (per village) or cooperatives (100–300 farmers per group).
Farmer registration ¹⁾	Baseline information on farmers and their farms (incl. GPS location) are collected and recorded in an excel file.
Traceability ¹⁾	100% of cocoa deliveries are traceable back to the farm level.

Step 2: Training and knowledge transfer

Project content	Description
Farmer professionalization through training services ¹⁾	<p>Farmers receive training on good agricultural, social and environmental practices (5 modules in 5 months), as well as special workshops (e.g. on organic fertilizer production or accounting and financial management workshop). All training takes place in classrooms and on the field.</p> <p>Visiting the developed model farms they are able to see the results of applying the recommendations of the agronomists and the trainings.</p> <p>If farmers cannot attend specific trainings, catch up trainings are made at their home locations.</p>

Legend: ¹⁾ = All farmers covered, ²⁾ = Upscaling; ³⁾ = Testing phase of innovations; ⁴⁾ = Newly planned, not yet started



LINDT & SPRÜNGLI

Project content	Description
Farmer coaching ²⁾	In addition to regular trainings and monitoring visits, A & D Sanchez offers free technical assistance throughout the whole year with the field visits and an additional call center service where farmers can ask for an agronomist visit.
Capacity Building of Agronomists/ Extension Officers ¹⁾	All agronomists/extension officers receive training by CORPEI, ANECACAO, SIMBIOTIK, INIAP.
Model farms ²⁾	Best practice demonstration sites where farmers see the results and return on investments of applying the recommendations of fertilization based on the soil analysis and the impact of irrigation.

Step 3: Farmer investments and community development

Project content	Description
Community – Cooperative works & projects building	Fostering cooperative work rather than individual work. Including new cooperatives in the Program, training them about UNITY strengthening and its benefits. Implement projects that work in communitarian way.
Foster farm diversification	Through engagement with local government entities that also give support for rural development, A&D has introduced new concepts for income generation besides cocoa farming, such as: Fish farming, apiculture (bees), pig farming, forests management and artisanal chocolate products developments. Which consists in 5 Modules training per topic (theoretical and practical) farmers participating have access to apply for government funds for communitary projects investments and technical support.
Farm renovation (=farmer led seedling nurseries and seedling distribution) ²⁾	Farmers are supported in setting up nurseries for cocoa seedlings. Fine flavor cocoa seedling are distributed to farmers for free or at subsidized prices.
Farm rehabilitation (grafting) ²⁾	In a practical training session, farmers learn how to rehabilitate their remaining farm with improved varieties (=grafting).
Irrigation systems establishment	Establish irrigation systems for farmers in major need, especially in plots recently planted with cocoa seedlings. According to participation of farmers in the Program or cooperatives work.
Shade trees ²⁾	Provision of shade trees for cocoa farms.
In-kind farmer premium ¹⁾	Farmers and farmer groups receive in-kind premium in form of planting equipment, tools or inputs, depending on volumes sold and participation in the trainings.
Organic school gardens ³⁾	Work with community schools were kids learn how to develop organic vegetable/herbs/fruits orchards, waste management, developing organic fertilizers from natural disposals, and caring about environment issues. Environmental community projects to enhance river side and forest restoration.

Legend: ¹⁾ = All farmers covered, ²⁾ = Upscaling; ³⁾ = Testing phase of innovations; ⁴⁾ = Newly planned, not yet started



LINDT & SPRÜNGLI

Project content	Description
Agricultural business development projects ³⁾	Educational projects to foster farmer organization and business models: commercialization of herbicide from cocoa mucilage, commercialization of organic fertilizer from cocoa fruit steams and other materials, nurseries of national seedlings, development of community organic orchards. Accounting – financial skills development through workshops about business plan developing
Drying and fermentation equipment ⁴⁾	The equipment distributed by AD Sanchez in the different regions is shared by the farmers. For the self-sustainability of the project, the farmers have to pay a small fee per quintals for the dryers in order to cover maintenance costs.

Step 4: Verification and continuous progress

Project content	Description
Internal monitoring ¹⁾	Yearly internal performance monitoring on each farm by AD Sanchez staff.
External assessment ¹⁾	Yearly Program verification by The Forest Trust.

Legend: ¹⁾ = All farmers covered, ²⁾ = Upscaling; ³⁾ = Testing phase of innovations; ⁴⁾ = Newly planned, not yet started