



Utrecht: 14-08-2017

**Our ref:** 2017-xyz

**Your ref:** CEN Document N 584

## ICCFO comments on the request for allowance of a premium

Dear all,

Herewith, we want to express our concerns about the request to attend achieving an “exemption” for allowing a premium in the ISO 34101-series. The International Cocoa Farmers Organization (ICCFO) is against this “premium concept” simply because current “premium” systems active in the cocoa sector fail to deliver their intended goal at the farm gate. We believe that farmers are the less benefited from such a “premium”, while the entire value chain profits from “paying a premium” to the farmers.

First of all, the rationale of having to include a “premium” requirement into the ISO 34101 series just because current private cocoa standards include a premium and because a few producer countries expect a future benefit of an “ISO premium” is in principle wrong. Until now, there was no need of a “premium” on the ISO family of standards. What makes the cocoa value chain so special (or different?) from other standardize processes that justifies the inclusion of such a premium? Please provide an answer to this question with evidences beyond the ones presented on document N 584.

Secondly, we believe that a “premium” does not contribute in any substantial manner to the economic sustainability of the cocoa growing communities. Although a premium might be in a few selected cases a very welcomed additional income source, the premium does not solve the economic problems cocoa growing communities face. The major problems are elsewhere e.g.: worlds sinking cocoa price (cocoa overproduction?) and the bad governments of producing countries (corruption, bad policies, tariffs, etc.), which leads to a poor infrastructure, lack of education, etc.

Thirdly, we believe that the adoption of the “premium” system for this cocoa standard is only copying the same elements current (private) standards have and thus, the ISO is not “leading by example” -from a standard setting point of view. Therefore, we claim that if the ISO 34101 series is not able to give an added value to the farmers by innovating in the standard setting/end product, then this standard is doomed to become “one more standard” being imposed alongside current standards upon cocoa farmers.

Having said the above, we would like to challenge the ISO secretariat (all experts!) with one request: to provide proof that the current “premium” systems are able to provide a real benefit to all farmers implementing a given standard.



This should include at least:

- Review and analyse the “premium” development in different countries vs. farm-gate prices over time (e.g. last 10 years),
- Compare the “premium” levels vs. the cost of implementation for certified cocoa production,
- Analyse the amounts of cocoa traded with a “premium” vs the amounts of certified cocoa available at the market.

Once the above points have been assessed, we request an explanation of how the ISO “premium” system will differentiate from the current “premium systems”. More precisely, how can the ISO secretariat assure that the ISO “premium system” will in-deed be more beneficial for the farmers than for the rest of the value chain stakeholders?

Sincerely,

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