TEN YEARS, LITTLE PROGRESS: AS PROFITS SOAR, CHOCOLATE INDUSTRY FAILS TO DELIVER ON PROMISES TO END FORCED AND CHILD LABOR ON COCOA FARMS

A Decade Later, Hershey Lags Behind in Eliminating Abuses in its Chocolate

Washington, DC – September 19, 2011 -- On the tenth anniversary of the Harkin-Engel Protocol, Global Exchange, Green America, and International Labor Rights Forum issued the following statement:

"Today marks the 10-year anniversary of the Harkin-Engel Protocol, an agreement signed by the country's largest chocolate companies to put an end to forced child labor in their cocoa supply chains by July of 2005. Chocolate companies committed to this voluntary agreement in lieu of legislation that would have required all chocolate companies to adopt a 'slave-free' labeling system.

However, six years after the industry's initial deadline, and ten years since chocolate manufacturers committed to taking action on this issue, hundreds of thousands of children are still subject to the worst forms of child labor on West African cocoa farms. At the same time, according the USDA Economic Research Service, cocoa imports to the US have soared to 1,222,300 metric tons (up from 999,600 in 2001), and cocoa imports to the US are now valued at $4.3 billion.

With 1.8 million children still working in the West African cocoa sector, there continues to be urgent need for programs to immediately withdraw child victims from labor and provide them with remediation and an education. Senator Harkin and Representative Engel, working with the US Department of Labor, have played an important role in seeking to ensure that programs to help the victims of child labor are financially supported. More recently, they have been working to increase US investment in rescue and remediation programs that play an important role in helping the victims of abuse. While vital, remediation programs are not a complete solution; the chocolate companies must responsibly source their cocoa and address the root causes of labor rights issues in the industry.

According to a report published by the Payson Center for International Development at Tulane University, under a contract from the US Department of Labor (DOL), hundreds of thousands of children continue to work long hours on cocoa farms in Ghana and Ivory Coast. The report, published earlier this year, noted that industry-funded initiatives have had a limited impact to date, and that less than 5 percent of children and caregivers reported having been exposed to child labor remediation services. The report states that one of most effective ways to eliminate forced and child labor in cocoa production is through the use of independent, third party certification systems such as Fairtrade (as opposed to first party company efforts).

Six years past the deadline, very few chocolate companies have taken substantial steps to remove child labor from their cocoa supply chains and adopt third party certifications for their cocoa. Some companies, such as Nestlé and Cadbury, have begun to source a small percent of their product line under Fairtrade standards, which ensure a fair price for farmers; though none of these products are currently available to US consumers. The Mars Company has made a commitment to shift to entirely sustainable supplies of cocoa by 2020. Hershey ranks at the bottom of the list, with no independently certified cocoa in its main product lines, no systems in place to publicly trace its cocoa, and no commitments to shift to third party certification systems. At the same time, Hershey reported earning record profits in 2010, and forecasts continued growth for 2011. While the major chocolate companies drag their heels in adopting third party certifications, a growing number of smaller chocolate companies in the US are adopting Fairtrade standards for their chocolate.

Pressure for companies to source child labor free cocoa is mounting, from both consumers and legislators. Cocoa from five West African nations is on the Department of Labor's List of Goods Produced by Child Labor or Forced Labor. Additionally, the DOL included cocoa from Côte D'Ivoire and Nigeria on a separate list of goods believed to be produced by abusive labor conditions required under Executive Order 13126. According to the order, federal contractors who supply products on the list must certify that they have made a good faith effort to determine whether forced or indentured child labor was used to produce the items listed. Third party certification systems, such as Fairtrade, would help to ensure compliance with this regulation.

Last year, the Netherlands signed a letter of intent committing that by 2025, 100 percent of cocoa consumed in the Dutch market would be 'guaranteed sustainable,' with interim goals set for 2012, 2015, and 2020. While the US has yet to enforce such a strong commitment to ethical cocoa, consumer demand is beginning to move the industry in that direction.

Last week, a report pressuring Hershey to go Fairtrade (*Time to Raise the Bar: The Real Corporate Social Responsibility Report for the Hershey Company*) called out Hershey as the laggard of the industry and reported that more than 50,000 consumers have written to the company to 'raise the bar' for responsible cocoa sourcing.

Despite falling short of eliminating child labor from the West African cocoa industry, large US chocolate manufacturers can still make a difference in the lives of children in cocoa-growing communities by committing to begin sourcing Fairtrade cocoa, which ensures farmers are paid a better price for their beans and that processes are in place to remove children from hazardous working conditions."

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