



The Federation of Cocoa Commerce Ltd
Fédération du Commerce des Cacaos

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JOINT STATEMENT REGARDING SITUATION IN COTE D'IVOIRE

EU sanctions hit cocoa communities in Côte d'Ivoire

As previously reported, on January 14th 2011, in the wake of the Presidential Elections, the EU Council adopted restrictive measures with regards to the situation in Côte d'Ivoire. Additional measures were agreed by the Council on January 31st.

On January 21st 2011, the European Cocoa Association (ECA) and the Federation of Cocoa Commerce Ltd. (FCC) requested further clarification on certain aspects of these measures from the competent EU authorities.

To date, no clarification nor indeed any communication has been received to assist us.

Members continue to report that the uncertainty in relation to the sanctions is forcing not only a halt to exports but also a slow down and in some cases a cessation of activity in the internal market which will hit the farmers hardest.

Although the EU imposed financial sanctions on certain individuals and entities, these targeted measures have, therefore, amounted to a de facto export ban on cocoa beans and cocoa products from Côte d'Ivoire.

The slowdown of cocoa buying activities in the bush impacts the income stream of some 800,000 smallholders and their many dependents – the weakest members of the cocoa value chain - as well as the many individuals engaged in local cocoa

¹ EU Regulation No. 25/2011 – amending Regulation (EC) 560/2005 published in the EU OJ on 15.01.2011; and Council Implementing Regulation 85/2011 implementing Regulation (EC) 560/2005 published in the EU OJ on 02.02.2011. These measures are binding as of their publication in the Official Journal.

processing and exporting. It is estimated that over six million Ivorians - almost a third of the population - are directly or indirectly dependent on cocoa for their livelihood.

In these circumstances, the EU measures are adding to the duress of the Ivorian population, at a time of great political instability and unrest. Cocoa farming communities are already impacted by the slowdown in cocoa-related activities. Should the situation continue to deteriorate the damage sustained to the cocoa economy of Côte d'Ivoire will be long-lasting.

ECA and FCC members remain committed to the millions of cocoa farming communities, families and children whose livelihoods depend upon cocoa. Our members' focus is to ensure all their employees in Côte d'Ivoire are safe.

Our aim is to continue working with the population of Côte d'Ivoire and to strive to maintain a viable cocoa sector in the long term.

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The European Cocoa Association (ECA) based in Brussels is a trade association that groups the major companies involved in the cocoa bean trade and processing, in warehousing and related logistical activities in Europe. Together, ECA Members represent two-thirds of Europe's cocoa beans grinding, half of Europe's industrial chocolate production and 40% of the world production of cocoa liquor, butter and powder. On behalf of its members, ECA monitors and reports on development impacting the cocoa sector, both at regulatory and scientific levels. In addition, ECA is actively engaged in European and International fora related to the industry's contribution to a sustainable cocoa economy.

The Federation of Cocoa Commerce Limited is UK based and represents some 160 members engaged in the international cocoa sector. This diverse membership includes organisations and companies from cocoa producing countries, the cocoa processing and chocolate industry, cocoa trade, logistics providers, banks, brokers, insurance and others. FCC activities are focused around the cocoa supply chain being an international contract authority. We support this cocoa contract with arbitration services and a number of other initiatives to enhance integrity in the cocoa supply chain.