

Jerusha Klemperer:

Vanilla and chocolate, the two most beloved flavors in the world, have been linked since the beginning. Both products, the vanilla bean and the cacao pod, originated in Mexico thousands of years ago where Aztecs used vanilla to make the bitter cocoa powder in their sacred chocolate drink more palatable. Today, these two flavors in both natural and artificial form dominate our dessert options, from ice cream scoops to the sweet snacks in grocery aisles. But both have complicated stories, long and hidden supply chains, and extraction of wealth from communities in the global south and all of the environmental and social problems that come from a system that leaves smallholder farmers in poverty. How can we reconcile our love of these essential flavors with their often problematic production? Can we hold large companies accountable? And is it possible to produce vanilla and chocolate in a different and better way?

I'm Jerusha Klemperer and this is What You're Eating, a project of foodprint.org. We aim to help you understand how your food gets to your plate and to see the full impact of the food system on animals, planet, and people. We uncover the problems with the industrial food system and offer examples of more sustainable practices as well as practical advice for how you can help support a better system through the food that you buy and the system changes you push for.

We'll start with vanilla, which despite its idiomatic meaning as boring or bland is the number one most beloved flavor with a complex flavor profile and a buying price so high that the unripe pods are often protected with armed guards. The brown liquid we all know from baking chocolate chip cookies is the end product of a long and arduous process that begins mostly in Madagascar, an island off the southeast coast of the continent of Africa. It's home to around 75% of the world's vanilla production. I spoke to Jennifer Boggiss of Heilala Vanilla, which is not from vanilla's hub of Madagascar, but rather from Tonga, a small island in the south Pacific near Western Samoa.

Jennifer Boggiss:

So vanilla is a climbing orchid plant. It has to be on a host tree. So you plant a vanilla vine from a cutting, and then about three to four years later, with the right looping, pruning, tipping, mulching, composting, the vanilla plant should flower. It's a beautiful delicate little orchid flower, and it opens for about six hours and it has to be hand pollinated within that timeframe, otherwise it dies and there's no vanilla bean. Nine months later, like a baby, you get a vanilla bean that's ready to be picked just when the tip's starting to turn yellow, and then it goes through a three months curing, drying process, which is the traditional way of curing and drying vanilla beans to bring out all the flavor and aroma.

In some places, some practices try and shortcut that curing, drying process. We do it the traditional way, which is starting a fermentation process, very similar to cacao really in a lot of ways, and then they're sort of sweated and wrapped up like babies overnight for a week or so. And then they're put out in the sun every day and turned like babies and then brought in at night and put out the next day in the sun. And then at the end of it all, inside under fans, they go through a bit of a curing conditioning stage. And then from there we undertake extraction, and that takes anywhere from six weeks to three months, and you get a vanilla extract from that.

I'm Jennifer Boggiss, the CEO and co-founder of Heilala Vanilla. We are based in New Zealand, but we export globally our range of vanilla products. We are a direct trade vanilla company, certified B Corp. We have our vanilla plantations in Tonga, which is where our founding story is from, and all our production and extraction and manufacturing is based in New Zealand.

It's quite precarious I would say, because there needs to be a lot of things to line up to get a great yield. The main one really is... Well, yeah, 99% of it is climate related. Obviously we've been through periods of climate change or different weather patterns, and they can affect vanilla quite drastically globally. There's been periods where we've had droughts. Vanilla grows 10 degrees either side of the equator, is the right temperature, humidity, all those sorts of things. So those are normally countries where you have

quite volatile weather patterns anyway, so they're subject to things like cyclones, typhoons, all those sorts of things.

Vanilla is quite a hardy plant, so if you don't get a crop this year, it's not like it's going to die or anything, it's just not going to be as productive and hopefully that the following year you do get a great crop. So we've been subject to those weather patterns, as does Madagascar, which is 80% of the world's vanilla production. So basically whatever happens in Madagascar impacts the supply and then the price of vanilla globally.

Jerusha Klemperer:

Weather-related events aren't the only thing driving up vanilla prices. In what's become a vicious cycle, because of vanilla's high price, Madagascar's vanilla trade is also impacted by crime to the point that scared farmers are harvesting their beans early to avoid becoming targets of theft. These kind of pressures also lead to deforestation, cutting down other vegetation to plant more and more trees for vanilla cultivation.

Jennifer Boggiss:

Heilala Vanilla was founded by my father, John Ross, who at the age of 60 had sold his dairy farm in New Zealand. And prior to that he also had squash and corn, so he is very familiar with crops. He was in Tonga for his 60th birthday and we also went up. He took his boat up because it's really renowned for beautiful spear diving, spear fishing, which he's a very accomplished spear diver. We had his birthday up there, and we all thought it was the most beautiful place and beautiful people, and we came back and there was a cyclone that went through that year, so New Year's Eve 2001. My father wanted to do something to help this particular community that he'd come to know quite well from staying on his boat there for three months, and he went back with his rotary friends and did a whole lot of rebuilding.

After the project was completed, the head of the village said to him, "What can we do, John, to provide livelihoods and employment for my family and extended community?" Dad being a farmer looked around, it had to be something that wasn't perishable because of the freight situation. Vanilla had grown there in the past in the '70s and the '80s, and he decided vanilla. He also fell in love, I think, with the romance and the history of vanilla. He had read, there's a book, *The Ice Cream Orchard*? Yeah, I think he just fell in love with the romance of it.

He handed me the first crop in 2005 and said to me, "Well, what are we going to do with this? We've started something now and we can't let these people down." So I took the vanilla beans back to some well-known chefs in Auckland and New Zealand, and they said it was the best vanilla they'd ever seen. In 2008, I left my day job and we started producing vanilla products in New Zealand, partnering with some research institutes on vanilla extract, vanilla manufacturing, vanilla paste. Fast-forward to today, we partner with over 300 farmers in Tonga.

In Tonga, the industry is predominantly smallholder farmers. Farmers typically have a allotment or a land holding about 10 acres and they grow multiple crops. Vanilla is just one of them. So to get scale in our supply chain, we decided that we needed to have a large scale farm, so we planted 100 acres in 2016, largely to, like I mentioned, to get some scale in our supply chain, and also to provide employment for the local community. Madagascar and Uganda where we've also visited, that's predominantly an industry of smallholder farmers. They roll up into processors and then exporters and distributors. So we are very much like what we call direct trade, whereas typically vanilla can go through about 10 sets of hands before it actually gets to the final customer.

Jerusha Klemperer:

You earlier mentioned how the market from Madagascar and the crops from Madagascar dictate market prices and whatever. To what degree are you participating in that market, or do you have a whole separate economic relationship with the farmers who supply the vanilla?

Jennifer Boggiss:

Because we're farmers ourselves, and my father is a farmer and has been a farmer all his life and he really understands the value proposition for a farmer, we know what the minimum price is per kilo for that. A farmer needs to be paid to make it viable for them, because the last thing you want, which is what has happened in Madagascar, is the price is so volatile up and down and then it's just this continual cycle. So when the price is low, the farmer's like, "Oh, I can't be bothered with vanilla because it's a whole year of my inputs before I'm actually going to get paid anyway. So I'd rather grow something else that's a lot quicker for my cash flow and a lot more consistent." So then they pull out and then the demand goes up because there's not as much supply because the farmers have pulled out, and then the price goes up because there's not as much vanilla. So then the farmers come back in, but there's all lags and things in between those.

We didn't want that to happen in Tonga. We have a minimum price and then we always pay at least that or above. At the moment vanilla is at a low price globally, like Madagascar, Uganda. At the moment we're paying about double that to farmers. We try and take the volatility out of it so that it provides a really secure consistent income for them.

Jerusha Klemperer:

I'm guessing that then makes your product more expensive than some of the other ones out there, and then that becomes part of your job, is to help people understand why.

Jennifer Boggiss:

Well, it is more expensive than some of those big large commercial industrial vanillas, but it's comparable to other vanillas. We believe that when you're using a teaspoon of vanilla in your recipe that the cost differences per recipe, it doesn't make a huge difference. We believe that you can taste the difference in the vanilla, and you feel good about using the good vanilla.

Jerusha Klemperer:

Aside from serious bakers and chefs, most consumers, of course, are not buying vanilla in bean form.

Jennifer Boggiss:

Vanilla extract is like your base vanilla that everybody's probably familiar with. Our vanilla is one teaspoon is one vanilla bean equivalent. I just term it as the underwear of baking. It's like salt, you know if it's not there, but you don't necessarily know if it's there. Yeah, vanilla extract's just like that base. Then vanilla paste is the vanilla extract with the seeds put back in. So you get that lovely visual. It's the same flavor as extract, but you get the bonus of seeing the seeds and particularly in things like ice creams or custards or creme brûlées or panna cottas or things where you want to see that visual of the seeds so you know that the vanilla is there. And then vanilla powder is the whole bean dried and ground. People typically use that... It's quite a very niche product from a home baker's perspective because it's typically used in things where people don't want to add alcohol, bliss bowls, smoothies, milk shakes, ice creams, and it's super concentrated the whole bean dried and you need time for the flavor to infuse just like if you're using a vanilla bean.

Jerusha Klemperer:

For most people, vanilla has ultimately become a flavor rather than a product. And that flavor that we all know and recognize is thanks to an organic compound naturally found in vanilla called vanillin.

Jennifer Boggiss:

A vanilla bean has over 200 flavor compounds, of which vanillin is one. So when you are drying your vanilla beans, part of your quality control is you can do a vanillin test to see what the vanillin level in your vanilla beans are. So it's a key flavor compound, but there are over 200 flavor compounds in a vanilla bean. So when we are doing our extraction process, we know at different stages in that cold extraction process you're extracting different flavors, and then you end up with an extract or a paste product that what we say is multi-dimensional. If you're just using vanillin, which can be from right at the low end of the scale is artificial vanillin, which is a byproduct of the pulp and paper process, for example, and other industrialized processes. And then you also have natural flavors which mimic vanillin, which are made from things like cloves and plums and other natural products that they miraculously blend together to mimic vanillin. But they're still only mimicking vanillin, which is like I said, just one flavor compound of the vanilla bean.

Jerusha Klemperer:

A lot of the vanilla extract we see on a supermarket shelf is imitation vanilla extract, which means it doesn't come from a vanilla bean but it has vanillin in it, either derived from a plant-based source like wood smoke or tree bark, or from an artificial chemical source. And this is also true for the vanilla flavoring in so many processed products like ice cream, yogurt, cookies, soda, and more.

Jennifer Boggiss:

But the U.S. have really great labeling laws, which we don't have in New Zealand and Australia, around how you can label an ice cream. In New Zealand and Australia, you can say vanilla ice cream and have a picture of the vanilla flower on the front, and then you look on the back and there's no vanilla in there. It's natural flavor or artificial flavor. But in the U.S. you can't do that. And vanilla extract in the U.S., FDA has quite strict regulations about the number of vanilla beans and the percentage of alcohol that has to be used in making vanilla extract.

There's two main varieties of vanilla that are cultivated. One is Bourbon vanilla, which is from Madagascar Reunion Island geographical region, and it's the same variety that we also grow in Tonga. And then there's Tahitian variety, Tahiti, that originated in Tahiti but it's also largely grown now in PNG, Papua New Guinea, and Indonesia. And it's quite a different flavor profile. If I'm talking to someone, I describe it as the Bourbon vanilla is more like the Chardonnay and the Tahitian vanilla is more like the Sauvignon Blanc. It's a bit more delicate and floral, whereas Bourbon is more that smoky, woody. I think it's more punchy.

Jerusha Klemperer:

Heilala is succeeding in making an ethically-sourced Bourbon vanilla that pays vanilla producers fairly by growing on a different continent and working directly with smallholder farmers. But I was curious if you could grow a high quality and ethically sourced for vanilla in Madagascar, the epicenter of most commercial vanilla production, and a place with so many issues in its supply chain.

Tim McCollum:

If people know anything about Madagascar, it's vanilla, the lemurs. I'm Tim McCollum, I'm the founder and CEO of Beyond Good Chocolate and Vanilla. So we do chocolate and vanilla with an emphasis on producing finished products at origin in the case of chocolate, where the cocoa grows, or in the case of

vanilla, where the vanilla grows, and in our case, that's Madagascar, big island, 8,000 miles away, and then tying that with the U.S. consumer markets or the brand in the United States.

It's still incredible for me and probably a lot of people that the number one SKU, the leading item for any ice cream manufacturer is vanilla. Ben & Jerry's can come up with any concoction of marshmallows and waffles and syrup and anything, but it just comes back to vanilla.

Vanilla is the world's most popular flavor. Chocolate is the world's second most popular flavor. There are similarities, there's also a ton of differences between the crops and the industries, but I think what is similar is you have a raw material, an agricultural crop that originates in a very poor part of the world, and all of the transformation and value addition happens in the Northern Hemisphere. And that same system, not actually the same people, but that same system of having to sell to intermediaries to work it up into the volume to export, it exists in vanilla. And everything we do in chocolate applies to vanilla in terms of how the system works and what the end solution is.

I went into the Peace Corps after college and went to Madagascar. That's my direct relationship. Lived there for two years, was an English teacher, but I started to observe some things related to poverty and supply chains, and many years later started a business with the intent of building something from the ground up in Madagascar. Last year, we got to the point where two of our five items are done entirely in Madagascar. It's not going to seem like a big deal, but for us it was. One of our items is just two vanilla beans in a jar. That's what you see when you walk into, say, Whole Foods. That's all now being done entirely in Madagascar, the jarring, the labeling, the packaging. Same with another item, which is ground vanilla. And then we have vanilla extract, and that's what most people associate with vanilla. That extraction process is being done in the U.S. with a partner, and yet one day the dream is that's all being done at Madagascar.

Jerusha Klemperer:

Beyond Good's other major product, chocolate, is produced from bean all the way to bar in Madagascar.

Tim McCollum:

Madagascar just happens to have the Earth's original variety of cocoa. Cocoa originated in Central America. When the Spanish conquered Central South America, they discovered all these quotes. Cocoa was the first time it had been seen by Europeans, and that was the very beginning of taking cocoa out of its origin and at the time bringing it to Europe. As the chocolate industry started to be built in the 1800s in Europe, cocoa got transplanted from Central America to West Africa, which is an easier route from West Africa up into Europe. So over time, West Africa became the largest producer between a handful of countries of cocoa. The crop, wherever it was, started to get hybridized and grafted to produce a variety of cocoa that got bigger, easier to grow, a little more disease and drought tolerant, but also in the process lost its flavor.

The history of cocoa and Madagascar is that Sri Lanka, which is if you think of Sri Lanka and Madagascar, they're both off the beaten path. They weren't part of any big trade route or system, and they weren't really commercialized as crops. I don't know exactly when Sri Lanka planted cocoa, but they took their cocoa directly from where cocoa all started. Around 1905, 1908, that was the first planting in Madagascar but they took crop from Sri Lanka. Then it stayed in Madagascar, and there's very little outside influence on what happened to the cocoa in Madagascar. That's the Earth's original variety of cocoa that once existed in Mesoamerica, but by way of Sri Lanka, we found it 100 years later in Madagascar.

Jerusha Klemperer:

When we talk about chocolate, we should really start at the beginning with cacao or cocoa.



Tim McCollum:

Not that many people know that chocolate starts on a tree. It's a tropical plant or a tree. It usually grows 10 degrees north or south of the equator, so if you can visualize the world, that's also the world's poverty belt. The pod or the fruit is about the size of a football. Inside that football or that pod there's about 30 cocoa beans. Those need to be taken out of the pod, fermented, dried. It's where flavor development happens in the cocoa bean itself. In a normal supply chain, that bean then travels to the Northern Hemisphere through a system of seven or eight middlemen before it gets to a factory where it's transformed into chocolate.

In our case, the factory is right down the road from cocoa farmers. But once that bean gets to our factory, it then gets processed and transformed into chocolate. Basically what you have to do is take a shell off of the bean and then work the bean down by grinding it until it eventually hits a liquid form. You're adding some heat, and that's where you would add other ingredients like sugar that gets you that molted melted chocolate that a lot of people can visualize, and then from there it gets tempered and then it gets cooled, and then you eventually turn it back into a solid.

It's fascinating. I think it's the only food that is a solid at room temperature, but the melting point of chocolate is the exact temperature of the human mouth, so it turns into a liquid when you eat it. I think that's part of our love affair with the product. Most of the world's cocoa is West Africa. So Ghana, Ivory Coast, those two countries have about 60, 65% of the world's cocoa. But almost anywhere cocoa grows, it's referred to as a small holder crop, which means these are not big farms. These are farmers that have one acre, two acres, and it's unfortunately a lot of subsistence living, and then cocoa is a cash crop.

If you think of it as basically the north and the south, so like Northern Hemisphere, Southern Hemisphere, all of the world's cocoa grows in the Southern Hemisphere on small farms that are in remote parts of the world. Yet all the world's chocolate manufacturing happens in the Northern Hemisphere. This is not a small industry we're talking about. I think next to cheese it's the second most widely consumed specialty food in the world. It's a massive industry. And so for the industry to move all that cocoa from the global south and these remote farms into chocolate manufacturing in the north, that cocoa has to go through the system of intermediaries and middlemen basically to consolidate the product along the way so that you can build up to a container volume of cocoa because that's what people buy in the Northern Hemisphere.

But as the cocoa passes through that system from one intermediary to the next, a lot of things happen. You lose traceability. There's not a paper trail in any of this. The price keeps going up and up, is that everyone who buys and then needs to resell, they're going to obviously take a markup on it. And there's no ability for the farmer to earn, forget about a living wage, like a thriving wage where they can actually grow and develop and move forward. And so you have three million cocoa farmers living in near permanent poverty, and there's no traceability. So like the chocolate factory in Europe or the U.S. can't tell you who farmed the cocoa that's currently in their machines.

And so those two things together, very deep poverty and zero traceability, that kind of creates this tinderbox for all this other bad stuff to happen, whether it's deforestation or forced labor. I'm sure a lot of the people listening have heard about those issues in the chocolate industry. They're very real. I think good people are working to solve them, but they haven't gotten any better over the last decade. They've probably gotten worse.

Allie Brudney:

I am Allie Brudney. I'm a senior staff attorney at Corporate Accountability Lab, a nonprofit organization based in Chicago. We are a team of lawyers who are combating environmental and human rights abuses in global supply chains.

We do a lot of work looking at human rights and environmental abuses within the cocoa sector. So specifically we look at West Africa. So West Africa is one of the larger producers of cocoa. Most of the basic cocoa that finds its way into candy bars, chocolate chips, baking chocolate, anything that's not that

fancy, a lot of that cocoa is coming from Cote d'Ivoire, Ghana, Nigeria, Cameroon. We are currently doing work in Cote d'Ivoire, Ghana, and Nigeria looking at a lot of the challenges facing the industry that, in my mind, all center around the fact that companies are paying a really low price for cocoa to begin with.

Each country functions a little bit differently. So in Ghana and Cote d'Ivoire, which are the two biggest producers, together they produce about 60% of all cocoa, they each have a cocoa board. The cocoa board sets the price of cocoa each year or each season really, and that's the farm gate price. That's the price that cocoa farmers are supposed to receive for their cocoa. The low price that companies are paying for cocoa is the root cause of tons of problems across the cocoa supply chain. It means that farmers are being underpaid for their work, and it means that they don't earn enough money to hire adult workers. So unless a farmer is making enough money to pay a living wage to another adult worker, they have no other option except to look to more exploitative forms of labor. So in a lot of cases that means that a lot of their children work on their farms. Sometimes they go to school and work in the afternoons and on weekends and evenings and summers, and sometimes it means that they don't go to school because farmers just need help and they're trying to make sure that they get enough food on the table.

In other cases, some farmers basically are buying trafficked children. Often these kids are coming from other countries north of Cote d'Ivoire and being trafficked into Cote d'Ivoire either through the northern border or through Ghana. Deforestation is also a result of farmer poverty. If you have old cocoa trees, it's hard to do anything about that except for clearing more land in order to make more cocoa to sell. The low price the farmers are getting paid for their cocoa is the root cause of essentially so many of the issues that farmers are facing and the children and others in the industry are facing.

Jerusha Klemperer:

And so you mentioned there's using the labor of your own children and then there's the much, obviously more sinister trafficking of children, but they're connected.

Allie Brudney:

Yeah, so I'm a lawyer, so I'm going to get legal and technical. The International Labor Organization defines the worst forms of child labor, and it's the worst forms of child labor that we really care about. Child work is when you work on a farm doing non-hazardous activities, maybe collecting cocoa pods after school. That's child work, that's fine. You're learning how to do this type of farming, it's okay. Hazardous child labor is where a child is using a machete, which is really dangerous, maybe being exposed to chemicals and pesticides which are being sprayed on the cocoa farm. That is still different from when someone is being trafficked. It's the difference between family labor and trafficking. Both hazardous child labor on a family farm and trafficked child labor are the worst forms of child labor, but they're still very different forms of child labor. One is done with your parents, one is where you've been trafficked.

But the point is that we need to make sure the companies are paying cocoa farmers a fair price so that they're able to pay adult workers and not turn to any child regardless of whether they're family labor or trafficked children.

Jerusha Klemperer:

One of the first major attempts to address this was something called the Harkin-Engel Protocol, which was signed in 2001. It was a voluntary agreement saying that the chocolate companies would eliminate the "worst forms of child labor." And it was signed by the largest chocolate companies as well as two U.S. senators, a U.S. congressman, the ambassador to the Ivory Coast, and a bunch of NGOs and chocolate industry reps.

Allie Brudney:

We are 20 years down the line, companies have not eliminated child labor. In fact, there is likely little difference in the prevalence of child labor in Cote d'Ivoire and Ghana. The most recent statistics say there's 1.56 million children engaged in child labor in Cote d'Ivoire and Ghana. So the Harkin-Engel Protocol as a voluntary protocol has been a pretty abject failure. Since the Harkin-Engel Protocol was signed 20 years ago, there've been a number of changes in who the big players are. In mergers, acquisitions, it shifted, so the companies that signed are not necessarily the big players today, just putting that out the way. But when we're talking about the big companies that are underpaying cocoa farmers, it is the Hersheys and Nestles, the Barry Callebauts, the Cargills, the Olam, Ferrero, Godiva. It's the big chocolate companies and their cocoa suppliers.

Jerusha Klemperer:

In 2005, three former child slave workers from Mali filed a suit in the United States against Nestle, Cargill, and ADM, invoking an 18th century law called the Alien Tort Statute. This lets people outside the U.S. seek damages in U.S. courts for overseas human rights violations. They charged that these large U.S. chocolate companies were liable for the enslaved labor happening at the beginning of their supply chain in Western Africa. The companies fought this all the way to the Supreme Court where in June 2021 they succeeded in getting the lawsuit tossed out. This was a huge blow to the fight against enslaved labor in cocoa supply chains. I asked Allie Brudney, "What other tools are human rights lawyers using to root these problems out?"

Allie Brudney:

One thing that Corporate Accountability Lab has been doing is submitting information to customs and border protection under Section 307 of the Tariff Act of 1930. What we basically do is we run investigations. We've done this in Cote d'Ivoire and now Nigeria as well. We run these investigations, and we collect information about trafficking, forced labor, forced child labor, and we turn that into a petition that we submit to Customs and Border Protection. We're basically saying, "Under Section 307 it's prohibited to import any good produced with forced or prison labor." So we're providing them information showing that a specific good was produced with forced labor.

CAL and International Rights Advocates submitted an initial petition in February 2020, and we've submitted a couple of supplemental ones since then. Unfortunately, CBP has not taken any action since then on these petitions. We did just work with the African Law Foundation, which is a Nigerian group organization, and together we submitted a petition under Section 307 in fall 2023 on forced labor in the Nigerian cocoa sector, sort of also documenting that because it's an area that doesn't receive as much focus because it's not as big a producing country.

Jerusha Klemperer:

And so is that part of the strategy, is dealing with stuff in Africa, dealing with stuff here, and seeing where the most pressure can be put?

Allie Brudney:

Yeah, so we're always looking to see how we can incentivize companies to clean up their supply chains. I think that access to the U.S. market or limiting that access is a really big incentive. Companies want access to the United States because it's a huge market. We sell and buy so many goods of every type that blocking that access can be a real push for companies to clean up their supply chains.

Jerusha Klemperer:



And when fighting for the rights of the enslaved workers isn't successful, there's also the possibility of suing on behalf of consumers, who by eating a product with these terrible abuses in its supply chain become complicit. And most people who buy chocolate do not want to be a part of that.

Allie Brudney:

Corporate Accountability Lab filed a case in Washington D.C. under Consumer Protection Statute. We filed against Hershey and Rainforest Alliance arguing that there's false advertising. Unfortunately, the claim against Rainforest Alliance got thrown out for jurisdictional reasons, but the case against Hershey is ongoing.

A lot of chocolate companies, they have certification logos basically on their products that's say Rainforest Alliance or Fair Trade. These are marking for consumers that a good was produced sustainably. What we found though is that in our investigations, especially in Cote d'Ivoire, we were on certified farms. We've been there, our investigators have been there, and yet we have these pictures of small children working on certified farms. We have indications of a lot of children who are working on these certified farms and farmers who say they've never been audited. It goes on and on. And so our suit against Hershey is basically alleging that they're making false advertising statements about how sustainable their products are.

Jerusha Klemperer:

It was really touching and very effective reading on Corporate Accountability Lab's website about farmers who were shown labels and certifications and told, "When someone buys this product that came from your cocoa and they see this label, they think that it means X. What do you think about that?" And their shock and... I mean, disappointment is not quite the right word, but at the deception going on there. These certifications we have come to believe are meaningful.

Allie Brudney:

Part of what we've been trying to do is not just in cocoa but really across the board. Certification schemes developed as a way to try to deal with some of big issues in global supply chains, but they're based on social audits. Whether we're talking about cocoa or the garment industry or really any other sector, we know that social audits don't work. The problem is that social auditing is based often on checklists, so there's a list of questions to ask. Auditors don't always show up. Oftentimes auditors are paid for by the cooperative or the factory that they are auditing, so they're incentivized to look the other way so that they get hired in the future.

So social auditing is more or less based on the idea of financial auditing. You can audit books and check that everything is clean. In this case, you're auditing the social and environmental aspects and checking that the factory or the farm is complying with specific standards. So in a lot of cases, there will be nice-looking standards that have rate standards in them saying, "No forced labor, have to pay minimum wage, no deforestation." The idea is that the producer is supposed to be complying with all of those standards and an auditor is supposed to come around and make sure that that producer is complying with all the standards.

Jerusha Klemperer:

Are there any certifications that you would say people could trust are telling them anything meaningful, especially on the labor front?

Allie Brudney:

There's no certification schemes that I would say are trustworthy in cocoa. Maybe the only caveat to certification schemes generally is that I think that the worker-driven models are effective. If you look at

the Immokalee workers and the Fair Food Program in the tomato fields in Florida, that is an effective model. There's no typical certification scheme that I would say is functioning as it is claiming to be.

Jerusha Klemperer:

From your perspective at Corporate Accountability Lab, it sounds like what you're saying is that the way to root out child labor would be to pay above poverty wages for cocoa.

Allie Brudney:

The way that we think about it is that companies need to pay farmers a living income in order to create the baseline to make it possible to eliminate a lot of these abuses. In addition, it would be great if they had long-term contracts with their suppliers, with the cooperatives and with farmers so that farmers know that they have someone to sell to and that they're not bearing the risk.

Tim McCollum:

If you're not solving for poverty in the supply chain, then you're not solving the problem. Anyone who's living in poverty, they have immediate needs they need to fill, and they're not really thinking about the future nor should they, nor could they, it's just basic human needs. And so things like the environment, deaf ears. Until you're able to feed yourself and your family, the more important thing is you get income. Anything that's like a well-intended effort to reduce poverty or that's long term, it doesn't work if someone's living in poverty. So education, yeah, everyone would say it's good for your kids to be educated, but again, that benefit is 10 years down the road if you have to put your kids through school. I've always looked at that as like once you solve that, then you can unlock solutions for every other problem.

Jerusha Klemperer:

You described that kind of status quo for chocolate that I know exists for a few other products as well, like coffee, that it's all grown in the global south but produced and the majority of the profit happening in the Northern Hemisphere. Can you talk a little bit maybe about that dynamic, the kind of colonialist project of extracting these beautiful, delicious, valuable raw materials from one part of the world and maximizing the wealth to be made from them in another part of the world?

Tim McCollum:

The reality is that a lot of countries were colonized in the 20th century specifically to extract raw material. And so, the colonial trade system that kept Africa impoverished throughout colonialism is still alive and well and what drives most economies in Africa. When you think about everything that's changed since a lot of African countries gained independence in the '60s, you've got access to electricity and there's sometimes free and fair elections. A lot's changed. What hasn't changed is a lot of the economies are 90% based on the export of raw materials, and that's direct byproduct of colonial trade from the 20th century. 100% of what's on our grocery store shelf, it's commodity chocolate, so it all kind of tastes the same because it's all made from the same dumbed-down type of cocoa, but it all follows that same supply chain. 100% of what you'd see when you walk into a grocery store, it's a dumbed-down version of what should be, and it's 100% driven by this insatiable demand from big manufacturers and big brands. They just want cheap, cheap cocoa.

Jerusha Klemperer:

We interviewed someone working from a legal standpoint to try to eradicate forced child labor from Corporate Accountability Lab. We had a really interesting talk with her about all of these legal maneuverings to try to hold these large companies to account. It sounds like a Sisyphean task, right? It's

just that system is so big and so intractable. So what you did was set up a different universe, a parallel universe to that one. Can you describe how your company works?

Tim McCollum:

I like how you said parallel universe. Much of what we learned was accidental. We set that up without any knowledge of this larger supply chain and the way the industry worked. In a sense, we were ignorant to that, and it, I think, worked in our favor in the end. And so, knowing nothing about the industrial supply chain, our instinct and intuition was, "Let's make chocolate in Madagascar," more from a macro-level view of that's where the value-added activity is. And back to that colonial exportation of raw material, we knew as long as that's happening, nothing's really changing. So it was all based on manufacturing finished product with the view to add more value because you're sourcing your wrappers locally, you sugar locally, all of your other inputs, you're getting people to work inside factories and transfer skills to learn how to add value versus just extraction.

Jerusha Klemperer:

I was really struck by the fact that on your website you can click on profiles about farmers. Can you talk about what traceability means to you all and how it shows up?

Tim McCollum:

You read about the industry and traceability being an issue, and then you realize, all right, it's because the chocolate company who's making product in like Hershey, Pennsylvania, they're buying the cocoa, but that cocoa is being purchased by someone in the middle who's buying it from someone else who's purchasing it from someone else who's also in the middle. And there might be six commercial transactions between the factory making the chocolate and the farmer who grew the cocoa. Until that really gets solved, nothing will get solved. But that's been set up for 100 years and it needs to be that way to transport product. It's like the law of physics.

But what we realized, and again this is accidental in that we didn't realize we were doing this, but in our model where that factory is right next to the farmer, we literally open our factory door and the farmer delivers cocoa to us. Traceability in the normal model is very hard to get at. In our model, it's unavoidable. And because there's that direct transaction with a farmer, I could tell you every farmer we bought from, how much we paid, when we paid it, because it's a relationship between us and the farmer. It's very hard to influence farmer economics if you're not directly buying from the farmers. It's very hard to ignore it when you are. And so I think that's a big advantage in terms of traceability, but also driving farmer income in a meaningful way.

Jerusha Klemperer:

That also means that you can instead of throwing up your hands at something like forced labor... There was a recent Supreme Court case, and it was found in the company's favor that they don't know because they're not responsible for that part of the chain. They're just responsible for the end part of the chain. And so the forced labor early on, not their problem.

Tim McCollum:

Companies are right, like the big companies. Well, they're wrong in that it is their problem, but they can't do anything about it. And no one's admitting that or saying that. It is a problem if you're buying ingredients that at the beginning may have been used with forced labor, but the bigger issue is you can't do anything about it because you're powerless. In our case, I'm going to bring it back to poverty, no human being wants their child to work. And so, first thing would be forced child labor, that only happens when you're desperate, when you're poor, when you can't feed your kids, when you can't provide for your

family. In our case, it was just apparent to us because we spend so much time in the field, we have such a big operating footprint at origin, so little things like the chickens and the cows on the farms are fatter than they ever were because the farmers have enough money to actually feed their livestock.

And so when we started to first look at real economic KPIs, we found farmers making 4, 5, \$6,000 a year. That does not sound like a lot in the U.S., but average per capita GDP in Madagascar is about \$500. So now they're making 10X what they were, and you start to see the benefits of it. And nobody who's in that position is ever going to put their child or support any form of child labor.

Jerusha Klemperer:

As buyers of chocolate, you might look to package labels with certifications like Fair Trade to give you these assurances that the farmers made a living wage, one that meant they could afford to have their children attend school or not to deforest their communities. But according to Corporate Accountability Lab and Tim McCollum, those certifications aren't making sure that's true.

Tim McCollum:

If the chocolate industry is at a zero in terms of sustainability or ideal, a Fair Trade certification or a Reinforced Alliance, S certification, that gets you to a one. What we're trying to do is show there is a 10 and it's possible. And so best case scenario, it gets you to a one, but then you can make an argument that actually creates an illusion that things are changing and getting better, which then leads to complacency. And you can say, "Actually that's a net negative." It's somewhere between a negative one and a positive one. But in our opinion, certifications don't address the root cause of the problem. They have a role to play. Like I said, we do organic for a reason. It's probably not why the organic industry exists, but we have a very good reason for doing that. We didn't get official organic certification on the cocoa for the first five or six years, mainly because it was already organic. There wasn't an herbicide or pesticide literally within 500 miles, but we eventually got organic certified.

Same thing in vanilla, it's all organic. The certification process, in our case, it's kind of a box to check. I believe in organic is a thing, but that's not whatever has driven the business as a point of differentiation. But why we're committed to organic is that's actually what locks you into traceability, because every parcel of land that grows cocoa that we source from, you need to have an annual audit done in that land where you collect the data on that parcel. And so, as long as we're organic, we will always be 100% traceable. In our business, one, we've never wanted to outsource our impact, and it's a very easy way for a very big company to say, "Look what we're doing. We're certifying X percentage of our supply chain," but doesn't really change anything.

It's unfortunate because what consumers need is they need stamp of approval that no consumer can be burdened with understanding which company's actually doing something differently, and that's where certifications come in. But it's also very top-down approach to problem solving, and most certifications are cooked up in the U.S. or Europe by probably well-meaning people, and they're looking top-down at these problems of poverty and traceability, but you can't solve other people's problems problem. You certainly can't solve problems for people that live 5,000 miles away on the ground in a rural farm in Africa.

Jerusha Klemperer:

I asked Allie Brudney if there is a role for consumers to play. Beyond looking for certifications or buying from better companies, can we move the needle on the supply chain issues with the majority of cocoa that's being produced and consumed in our world?

Allie Brudney:

As a lawyer, I believe that what we really need is strong enforcement and regulation, but I think consumers can also be talking to their retailers and chocolate companies and saying, "I want to know what you're doing right now to eliminate hazardous child labor and forced labor." But I think ultimately what is the most effective is forcing companies to change through strong regulation.

Jerusha Klemperer:

In the past year, cocoa prices have been rising dramatically. These are things to cocoa shortages that are primarily the result of climate change-related weather events, especially in West Africa. And of course, as Jennifer Boggiss described, these kind of extreme weather events are also hitting vanilla, driving up prices to never-seen-before levels. This market volatility is terrible for cocoa and vanilla farmers, especially those who sell into the commodity market, which is nearly all of them.

For both of these products, flavors that form the bedrock of our palates, the soaring prices are also due to rising consumer demand. That demand for chocolate and vanilla-flavored ice cream and cookies and yogurt and processed snacks has made a handful of companies in the global north extremely rich, even as they have turned their backs to the enslaved labor, deforestation, and extreme poverty that lie right at the origins of their products, the vanilla bean and the cacao pod in the global south.

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