

## Wrap-Up

Philippe Nell

After a full-day Conference on the following products: cocoa, coffee and wine, these are the seven themes highlighted for the audience:

a) Disease: The work done in a Swiss lab on specific diseases affecting cocoa in Honduras has proved difficult to implement in the field. Many factors that can be controlled under lab conditions also intervene.

b) Sustainability: It reveals itself as a very big issue that encompasses environment, child labor, CO2, level of wages, product quality...

c) Traceability: More and more important for consumers, who also want to know the origin of the products they buy. For this, it is necessary to do great efforts with hundreds of small producers.

d) Designation of origin, Eco-label: It has been a very comprehensive and successful strategy in Spain for wines. A way to control the misuse and/or spread of homonyms (Rioja-Spain; Rioja-Argentina) that need to be distinguished. It is covered by WTO Intellectual Property Agreement. There are several levels of certification: Fair trade certification, organic certification and the market share of eco-label certified products is still scarce (e. g. in coffee only 25%, the quality seems more important than sustainability as information on a coffee label, similar to wine.)

e) Blockchain: Business developed by a Swiss start up, shows the possibility to avoid intermediaries in the coffee supply chain; from producer to roaster; it started in Nicaragua with 92 self-growers; 130 buying roasters. Purchases are done on a platform, full transparency; due diligence, make growers successful.

Digitalization in the coffee and cocoa supply chains: blockchain solution for 379 farms; traceability of container; create digital identity for each individual; register, proof of income. Pull data from different sources and put them in one place.

f) Economic development: Alternative programs in Peru, Satipo, Department of Junin, to substitute coca production with cocoa, supporting high-quality aromatic cocoa. After a few years, the results should show diminution of poverty, extreme poverty, illegal crops and increase of rural income. However, farmers must be convinced.

Very interesting cocoa project by a start-up in its fifth year: In an area of 100 ha, Peru, Alto Huaya Bamba, Amazonia, farmers (35 families) are stakeholders, which increases their self-esteem in the business, up to the sale of chocolate produced by a Swiss factory (Choba Choba, available at Coop); 25'000 clients (through internet). Crowdfunding campaign started to increase funds available for commercialization reached CHF 1 million in 22 hours (internet, followers) a few weeks ago.

g) Economic profitability: coffee prices have been under the profitability thresholds during the past two years (120 cents per pound). World production is larger than world consumption. Similar situation in the wine industry, in particular in Switzerland. However, China consumes only 30 gr. of chocolate per head per year (Switzerland: more than 12 kilos), great potential in China for the future and good conditions for Swiss firms under the Swiss-China free trade agreement (see my book, p. 82-83; total elimination of 10% and 8% duty –depending on the tariff position– for Swiss exporters by 2018 and 2023, respectively).

Finally, for my conclusion, I quoted Mr. Pau Roca, General Director of the International Organization of Vine and Wine: "We will have a different economy after climate change. The value will be the climate. Human beings have disturbed the equilibrium", so let's go to work and right now!

A well-organized and very interesting conference with a wide range of speakers. Excellent use of experts in the field with live video from Ghana (sustainable commodity value chain), Paris (International Organisation of Vine and Wine, 45 members including Switzerland), and Spain (Designations of Origin). The representative of Nespresso could unfortunately not participate and bring the view of a large firm on key issues. All key topics were on the table.

Some speakers were able to bring interesting insights to a Latin American day with for instance full inclusiveness of farmers in the business process (Christoph Inauen, CEO, Choba Choba) or blockchain and digitalization (Dorothee Perlwitz, Maxime Acien).