

omflom



CHOCOLATE
REYKJAVÍK

2017 Transparency Report





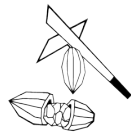
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TRANSPARENCY

Here at Omnom, we're committed to making the best chocolate from the highest quality ingredients. A lot of companies say that, but how many publish a report honestly sharing information with you?



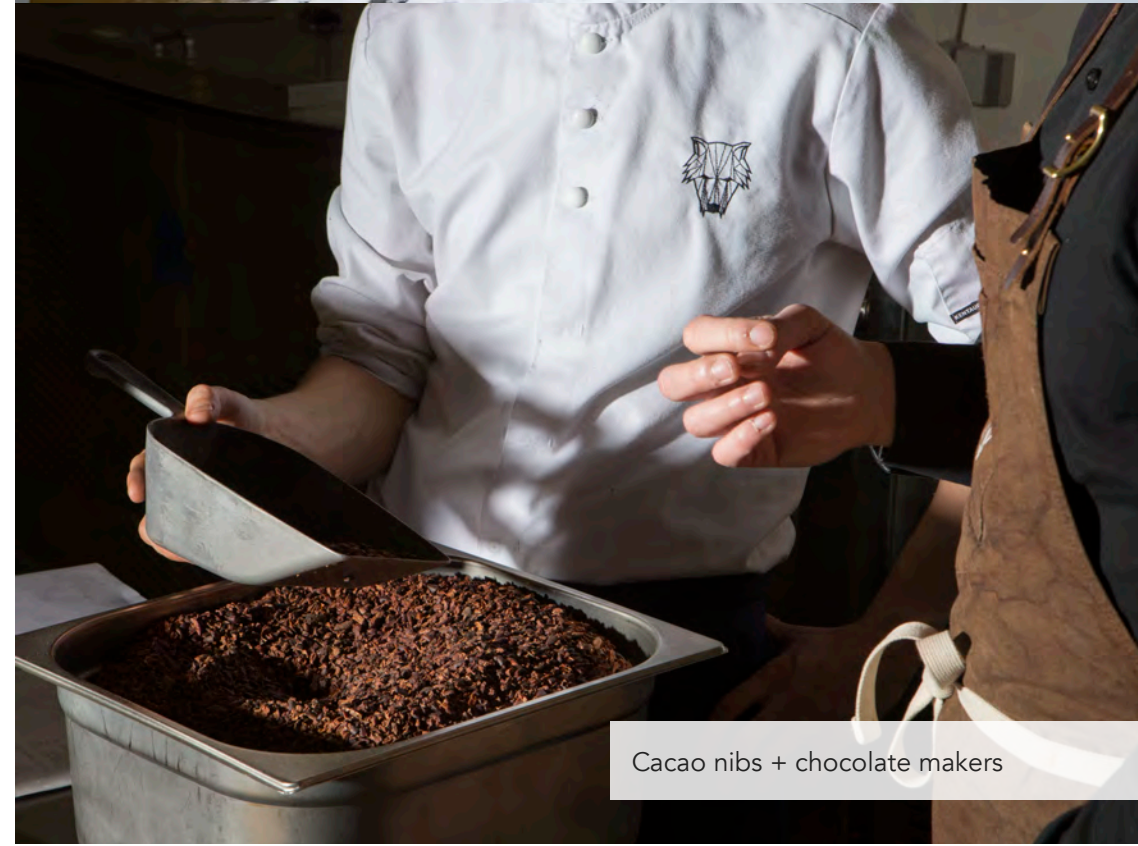
In line with other industry leading chocolate makers, we've put this report together to encourage an industry standard of sustainability.



We believe sustainability is an urgent topic that all companies should be working to address daily. High standards in our bean to bar chocolate making are essential, but the same high standards apply to how we source and buy ingredients for that process.



Omnom Chocolate Reykjavik



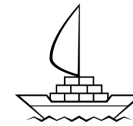
Cacao nibs + chocolate makers



Unroasted cocoa beans from Madagascar



Chocolate's main ingredients are cocoa beans and sugar. From the very beginning, our goal has been to investigate the differences in cacao's flavor from different places or "origins." Just like any other fruit, cacao varies in flavor dramatically harvest by harvest. Even genetically, two twin trees cultivated at different "origins" produce vastly different flavor.



This year, we bought cocoa beans from three distinct origins: Madagascar, Tanzania, and Nicaragua. The terroir from these regions translates to limitless variances in flavor. No two origins, harvests, or batches are ever exactly the same, but we like it that way.



We've fostered direct relationships with these producers to facilitate contact when noticing differences in quality or flavor. If there's an issue, accountability is high because our supply chains are short.

“Sustainability begins with traceability.”

Beyond flavor, it's imperative we evaluate each ingredient's source for the social, environmental, and economic impact our purchase is making. After all, businesses create most impact with their dollars.



Each of our vetted sources also represents human relationships we've cultivated to improve those aspects of sustainability. Purchasing more directly, builds connections with trust and longevity.

When possible, we also travel to the source to research first hand and learn from the producers. All of our cocoa beans are bought at a premium above commodity value because they're grown and produced with care and intention. (A full cost breakdown accompanies the origin profiles in this report on page 14.)

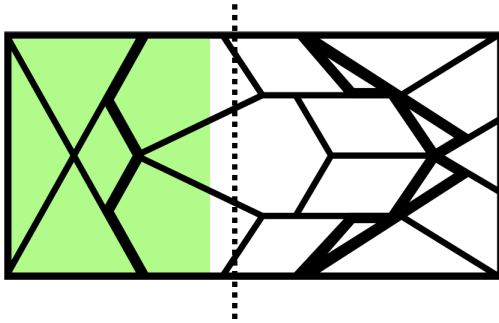


Wet cacao transport in Nicaragua



Fermentation boxes in Tanzania

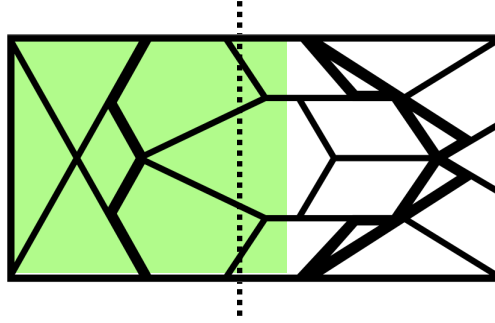
BEGINNING OF 2017



At the beginning of 2017, approximately 43% of our ingredients were sourced sustainably. Our goal and commitment is to source 100% of our inputs sustainably by 2020. Although we're just getting started with this process, we've made substantial progress since our first batches of chocolate in 2013.

This year, we changed to more sustainable sugar, one of our largest inputs. This increased our total ingredient sustainability 13% and comes from our new partnership with Global Organics and the Native Cane Project in Brazil (read more on page 16).

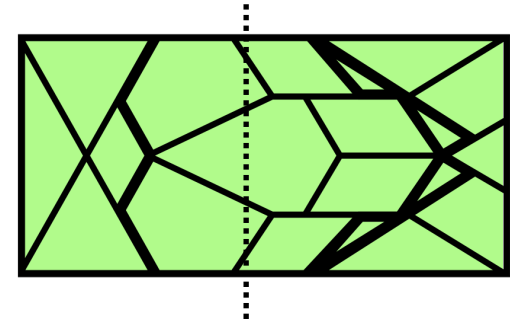
END OF 2017



With a better cocoa butter supplier in 2018, 96% of our ingredients will be sustainable by the end of next year. Current sources are being considered, but if you're a supplier of cocoa butter, please contact us (more information on page 27).

Commitment and research will help us reach our 2020 goal easily. From there, we'll continue to increase sustainability in our packaging, transportation, energy use, and daily operations. To read more about our sustainability goals for the next year, see page 25.

2020 GOAL



HOW WE MAKE CHOCOLATE

CACAO PRODUCERS

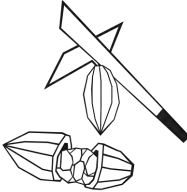
ÅKESSON'S

ingemann
Fine Cocoa



GROWING

Cacao trees grow in hot and humid areas approx. 20° north or south of the equator.



HARVEST

The cacao fruit, or pod, is picked from the tree and cut open. Inside are about 20-30 beans in a sweet white pulp.



FERMENTATION

Over 4-9 days the pulp breaks down starting a chemical reaction of yeast and good bacteria. Here most of the bean's flavor is developed.



DRYING

The beans are laid out to sun dry for another 5-7 days with regular, even turns.



SHIPPING

After drying, the beans are ready to be bagged in burlap sacks and sent all around the world.

CHOCOLATE MAKER



ROASTING

Adding heat develops the final flavor of the bean and makes it easier to remove its outer shell.



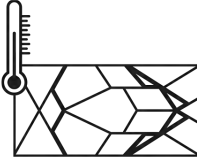
WINNOWING

After roasting, the beans are cracked open and the light, papery husk is separated from the heavy, dense cocoa nib.



GRINDING

The nibs are put through a pre-grinder which crushes them into cocoa mass. The mass is then refined with cane sugar for up to 3 days.



TEMPERING

Once smooth, the chocolate is melted and slightly cooled while constantly agitating it. This gives the finished chocolate a good shine, snap, and melting point.



ENJOYING

Omnomomnom
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Madagascar



Drying cacao beans in the sun

Ambanja, Diana Region - Sambirano Valley

Our first love affair was with Bertil Akesson's Malagasy beans. Like many other craft chocolate makers beginning in their home kitchens, these were some of the first sample beans we got our hands on. There's a reason for Bertil's notoriety in the industry: his beans are fruit-forward and packed with the right punch of acidity. This, in part, comes from his high-quality post-harvest procedures. We buy cocoa beans directly from specific plots of land on his single estate farm in northern Madagascar.



- Sun Dried - 5 Days
- Hand Sorted at Origin
- Single Owner Estate
- 4** year relationship
- EU Certified Organic
- Certified ForLife
- USDA Organic
- 3** metric tons used in 2017
- 28 Chocolate Awards
- 4 tier wood box ferment

Always consistent in quality, these certified organic beans are fermented and dried deliberately to give them their distinct flavor. They've made their way into many of our bars that garnered 28 international chocolate awards to date. We hope to visit in 2018 to see this award-winning cacao first hand.

Made with these beans:





Tanzania



Atubariki Mposole of Tanzania

Mbingu Village - Kilombero Valley, Morogoro Region

We love supporting social change through buying power. Lucky for us, Simran and Brian of Kokoa Kamili do too. In fact, they've mastered social impact by working with farmers in the Kilombero Valley of Tanzania to improve cacao quality in the area. On average, their individual stakeholders have received 23% more than market value for their cacao, which is stellar!

Over the course of three years, Kokoa Kamili has also distributed seedlings to their farmers and grown over 140,000 trees to invest in the future of cacao in the region. In the process, they've worked to raise prices for all regional cacao farmers. Simultaneously, climate change has dramatically altered their harvests with inconsistent periods of rain. Ever ingenious, the Kokoa Kamili team has surmounted these issues with the help of Elisante Mntambwe, a cocoa agronomist, who consults individual farmers and works side by side with them to identify issues and implement solutions.

New projects at Kokoa Kamili are also breaking ground. With the increase of demand for their delicious cocoa beans, they're building a new facility for efficiently fermenting and drying their certified organic beans. The road to their central operations, however, is currently a 12+ hour trip from Dar es Salaam on rough patches through the African bush. We hope to visit them in 2018, pending road conditions.



Hand Sorted at Origin



Sun Dried - 5 to 7 Days



Social Enterprise



3 Organic Certifications
(JAS, EU, and USDA)



Cacao Genetic Analysis

2

metric tons used in 2017



3 tier eucalyptus box style fermentation



New solar power at the fermentary

Bars made with these beans:





Nicaragua



Team Ingemann + Team Omnom

Waslala, RAAN - Bosawas Nature Reserve

In the early spring, we began working with Ingemann Fine Cocoa in Nicaragua. With some persistence and much planning, Kjartan and Óskar had the opportunity to visit their headquarters in March. On that trip, our eyes were truly opened to the scale of growing cacao and processing it. Margaux Benitah, Ingemann's Sales + Marketing Manager, introduced us to farmers and walked us through their methods of processing for nine different varieties of cacao. Of the nine, we chose O'Payo™, the organic variety they offer from one specific area of northwestern Nicaragua.



A fresh cacao pod

NICARAGUA

-  Sun Dried - 6 Days
-  3 Chocolate Awards
-  Regular Farm Audits
-   Certified Organic (EU/USDA)
-  4 stage Quality Assurance
-  Strict Child Labor Policy
- 3,3** metric tons used in 2017
-  UN Global Compact Participant
- 2** year relationship
-  Farmer Education + Assistance

These beans are cultivated from about 100 individual farmers in an organic certified cooperative. Ingemann works with all of their farmers to teach tree grafting, weather tracking, basic accounting, and best cultivation techniques. Paying them for their cacao regularly also creates a trusted relationship and gives stability to the farmer's crop schedule.

Ingemann's Cocoa ID program ensures complete and detailed traceability for each of the bags we buy. Through that first sourcing trip, we learned how much of a difference farmer payout makes, what can be done to improve post-harvest procedures, and about the sheer distance cacao travels before even arriving at our factory in Iceland.

Bars made with these beans:



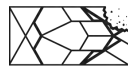
 [Contact us for the full story of our trip to Nicaragua.](#)

Payout + Pricing

2017 has been a massive year of growth for Omnom. About 8,3 metric tons of cocoa beans were made into over 450.000 bars! We launched [Nicaragua](#) as a new origin in May, [Caramel + Milk](#) for Reykjavík Pride, and 2 new [Chocolate Cereal Crisps](#) in September. We never expected to be making so much chocolate!



From our humble 50m² petrol station to our 500m² factory space, a lot has changed. The more chocolate we make, the more our purchases impact our supply chains. This year, we've spent over **7.8 million kr** (≈\$74k USD) on cocoa alone. If that seems like a lot, it's because it is! We're paying on average **25% above market value** for the high quality beans shipped from hot and humid climates to Iceland. We buy this way to generate a more positive impact.



Underpaying producers for their beans is as indecent as it is unsustainable. Using a positive engagement approach, we're building partnerships that will stand the test of time. That way, we all have great chocolate for years to come. So, we'd like to share our books with you to encourage pricing transparency industry-wide and explain a bit more about why good chocolate costs more.



Chocolate Melangers/Grinders



Humble beginnings

Payout + Pricing (cont.)

at the time of writing: \$1 USD = 106,4 ISK

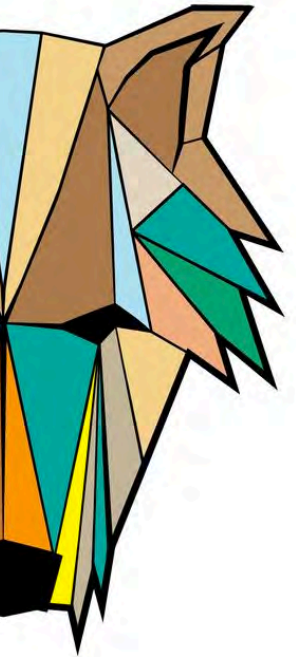
Origin	Madagascar	Tanzania	Nicaragua ¹	Commodity Cacao ²
Source Type	Single Owner Estate <i>(all farmers are employees)</i>	Social Enterprise <i>(wet cacao bought from farmer partners)</i>	Centralized Fermentary <i>(wet cacao bought from farmers/farmer groups)</i>	Traditional Supply Chain <i>(individual farmers sell to many buyers & traders)</i>
First Purchased	2013	2015	2017	n/a
Producer Volumes	≈ 300 mt/yr	≈ 121 mt/yr	≈ 130 mt/yr	≈ 3,5 million mt/yr
Omnom Use (mt)	3,0 mt <i>(1% of production)</i>	2,0 mt <i>(1,7% of production)</i>	3,3 mt <i>(2,5% of production)</i>	n/a <i>(70% of world cocoa production³)</i>
Price/kilogram	832 kr/kg + shipping <i>(≈\$7,80 USD/kg)</i>	1.106 kr/ kg, landed <i>(≈\$10,50 USD/kg)</i>	959 kr/kg + shipping <i>(≈\$9,00 USD/kg)</i>	≈ 217 kr/kg <i>(NYSE Price fluctuation⁴)</i>
Purchased in 2017	2.496.000 kr <i>(≈\$23.600 USD)</i>	2.212.000 kr <i>(≈\$20.900 USD)</i>	3.164.700 kr <i>(≈\$30.000 USD)</i>	n/a
Chocolate Made	11 mt/ ≈178 thousand bars	3,9 mt/ ≈63 thousand bars	4,8 mt/ ≈77 thousand bars	7,3 million mt/yr, ≈117 billion bars
Visited by	Planned for 2018	Planned for 2019	Óskar, Kjartan- March 2017	n/a
Certifications	4: EU+USDA Organic, EcoCert, ForLife	2: US + EU Certified Organic	2: US + EU Certified Organic	Often uncertified and hard to trace
Designations	Single Estate, Single Region, Single Origin, Lot Specific, Directly Traded	Single Origin, Single Region, Lot Specific	Single Origin, Single Region, Lot Specific, Directly Traded	Unsustainable, fossil fueled, forced labor, child labor, volatile pricing

¹Nicaragua: The farmers that Ingemann purchases wet cacao from are paid 25% above the New York Stock Exchange price for their beans, but since that figure can fluctuate dramatically, Ingemann has a price floor for payout. This means that even if the stock market price for cocoa drops unexpectedly, Ingemann's farmers are still guaranteed a base income for their beans. This type of pricing is absolutely imperative for the individual farmer, giving them the stability they need. Knowing they have supply chain security allows them to focus on the things that really matter.

²Commodity Cacao: This section is for reference to compare traditional cocoa supply chains to craft, or specialty, cacao supply chains. All references are listed on page 31.

³70% of World Production: Most cocoa in the world comes from West Africa. Ivory Coast, Ghana, Nigeria, and Cameroon produce 70% of all cocoa globally.

⁴NYSE Price Fluctuation: Commodity cacao is bought and sold in such large quantities with little supply chain security. Therefore, the price is extremely volatile; farmer payout, for instance, can dramatically change week to week. The common benchmark for measuring cocoa's price on the global market is the New York Stock Exchange price.



Organic Cane Sugar



Cane sugar is added to cocoa mass

Cane Sugar

The main areas of concern in sugar cultivation are environmental and social. Deforestation is at the forefront of these concerns with questionable labor practices following close behind. This year, Omnom sought out a new partner with years of experience in growing sustainable and ethical sugar near São Paulo, Brazil. There, the Natíve Green Cane Project has been working to reverse deforestation and increase biodiversity since 1986. Their mission is to create a fully sustainable system for growing and milling cane sugar.

The sugar we purchase from them has **over 10 certifications** including Organic, Fair for Life, Fair Trade, and Non-GMO. However, their work goes far beyond certifications. They estimate about 47,000 tons of CO₂ has been eliminated from the atmosphere through their methods of harvesting, and all the bio-waste from processing is used to fuel a steam furnace, generating enough power for the entire sugar mill and even the neighboring town.

Native also improved their soil quality, increasing water retention threefold. As for labor, their commitment to offering fair wages, extensive health coverage for workers and their families, and safe work environment is championed by their membership in the SEDEX Members Ethical Trade Audit (SMETA), a leading framework for social auditing and reporting.



20% higher yields than conventional sugar cane farming



23 times more biodiversity than conventional farms



90% reduction in damage from bio-pest control methods



100% carbon neutral production and transport to Europe



13.9 tons of agrochemicals avoided



Supplier Ethical Data Exchange





Icelandic Milk Powder



Icelandic cows grazing

Milk

From the first days of Omnom, we knew confidently that Icelandic milk would add character to our chocolates and distinguish them from many traditional ones. After all, Icelanders have been making skyr, cheese, and butter for over a thousand years with the help of cows brought over from Norway by Vikings. Not much has changed since then, giving a noticeable difference in flavor and quality to all Icelandic dairy products. This purity shows in the transformation each single origin dark chocolate takes to its milk chocolate sibling. Even at 65% cocoa, Dark Milk of Tanzania has a distinguishably different flavor than dark Tanzania 70%.



Our milk is powdered, since liquid milk can't be used directly in chocolate making. It's sourced from over 700 individual dairy farms across the island. For many of them in small, inland towns outside of Reykjavík, farming and animal husbandry are their main source of income. Icelandic cows spend most of their time inside for the cold winter, but graze openly whenever it's warm enough. MS (Iceland Dairies), the largest supplier of dairy products for the island, purchases dairy from these farmers and then brings it to a central location on the south coast of Iceland for pasteurization.

From there, the milk is spray dried to create a powder and then mixed in with cocoa and sugar during our bean to bar process. The entire process- from "cow to bar"-is done with 100% carbon-free electricity thanks to Iceland's abundant hydroelectric and geothermal energy sources. MS also holds progressive standards for domestic livestock welfare and audits farmers their farmers often. Most often, industrial chocolate makers use milk, sugar, and vanilla to mask the off flavors of their cocoa. We only use milk deliberately to enhance the flavor already present in our cocoa beans.



Farm Visit This Year



Made in Iceland



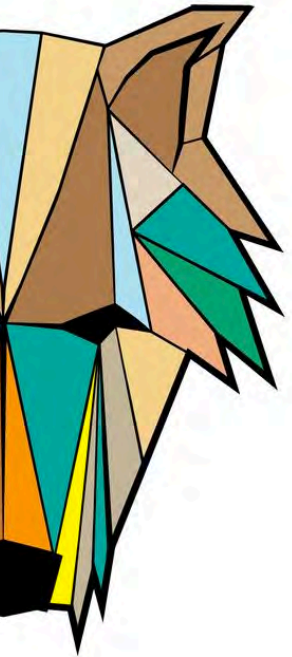
Hydroelectric Energy



Geothermal Heat



Animal Husbandry



Icelandic Sea Salt



Ísafjarðardjúp, Saltverk's home



Making sea salt

Sea Salt

If you've ever visited the Westfjord of Iceland, you'll know that it's one of the most remote areas of the country. In fact, weather conditions often close the mountain passes completely in the winter. All the way into these steep mountains and deep fjords is a small town named Reykjanes, that Saltverk calls home. Saltverk is a sustainable Icelandic sea salt company founded six years ago by our friend Björn Jónsson. He abandoned a career as an engineer to return to this extremely isolated area and make salt. Bringing back a 240 year-old process, he takes seawater from the fjord and transforms it into flaky sea salt. Saltverk is specifically in this location because it is historically one of the first places in Iceland where sea salt was ever made.



They moved into an old salmon farming station on the edge of Ísafjarðardjúp and diverted boiling geothermal water from the hot springs nearby, just as the Danish colonists had ages ago. This bubbling energy heats dehydrating pans full of filtered seawater up to nearly 97°C/206°F. While agitating the seawater manually, the heat boils water out of the brine until winter white flakes of sea salt form. After most of the water is boiled out, the crystals are strained and dried on wooden shelves. From there it's ready to use or given a special coating of licorice.

Saltverk's licorice salt plays a star role on the back of our Lakkrís + Sea Salt bar. For our Sea Salted Almonds bar, we take freshly roasted almonds and coat them in a 30% salinity seawater leftover from Saltverk's process. This trick adds a thin, even layer of salt on each almond piece. Hence, Saltverk's natural byproduct becomes our ingenious ingredient. Sustainability is not just ethical, it's delicious!

Bars made with Saltverk salt:



Made in Iceland



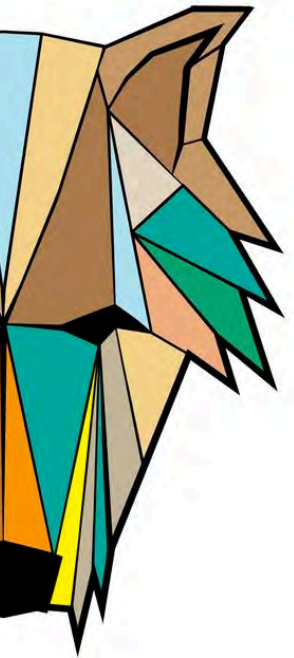
Geothermal Energy



100% Carbon Neutral



Visited in 2013



Coffee Beans



Reykjavík Roaster Kárastíg

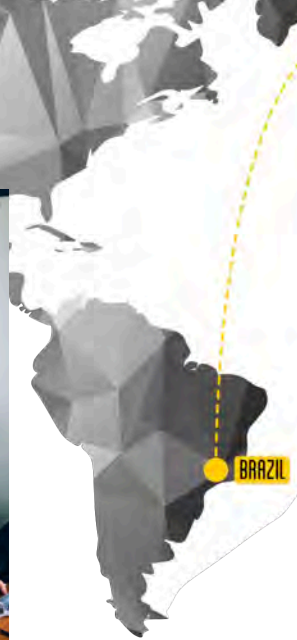
Coffee Beans

Making chocolate with only coffee beans was a challenge we set out to do in 2014. We teamed up with our friends from Reykjavík Roasters, who are a passionate bunch of baristas with a deep love of coffee. Together, we created a unique blend of coffee and creamy chocolate that exceeded all of our expectations. Our Coffee + Milk bar is actually a white chocolate that has so much coffee in it that it looks and tastes like a milk. (To be exact, there's more caffeine per bar than a double shot of espresso!) With this much coffee in each of our bars, we wanted to hear more about where in the world it came from.

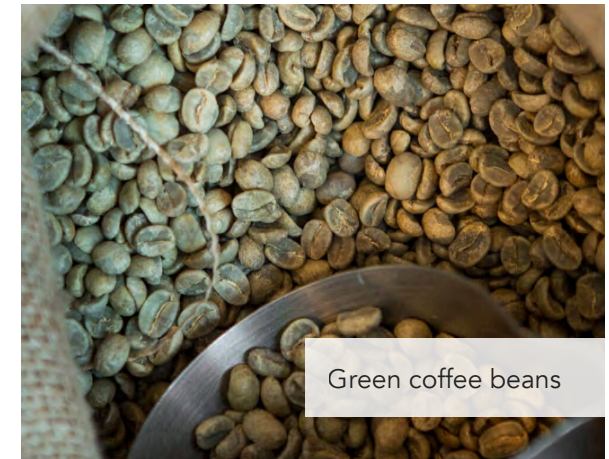
Reykjavík Roasters buys these coffee beans from a producer called Dona Nenem in Brazil. Located in the Patos de Minasto area, Eudardo Campos and his family have been growing coffee sustainably for over a century. In addition to their high-tech processing, these coffee beans are certified Rainforest Alliance and UTZ.

Each year 10% of Dona Nenem crops are renewed with new seedlings cultivated on the farm. That way, the trees are at their peak age for high yields in a natural cycle. The farm can produce about twelve thousand bags of green coffee a year and has approximately 1,1 million trees. Eudardo runs this progressive 381 hectare ranch and utilizes modern technology to facilitate the picking of perfectly ripe coffee cherries. Reykjavík Roasters processes them for both us and serving at their espresso bar. Their original location on Kárastrígur was actually the first place Omnom bars were ever sold 4 years ago.

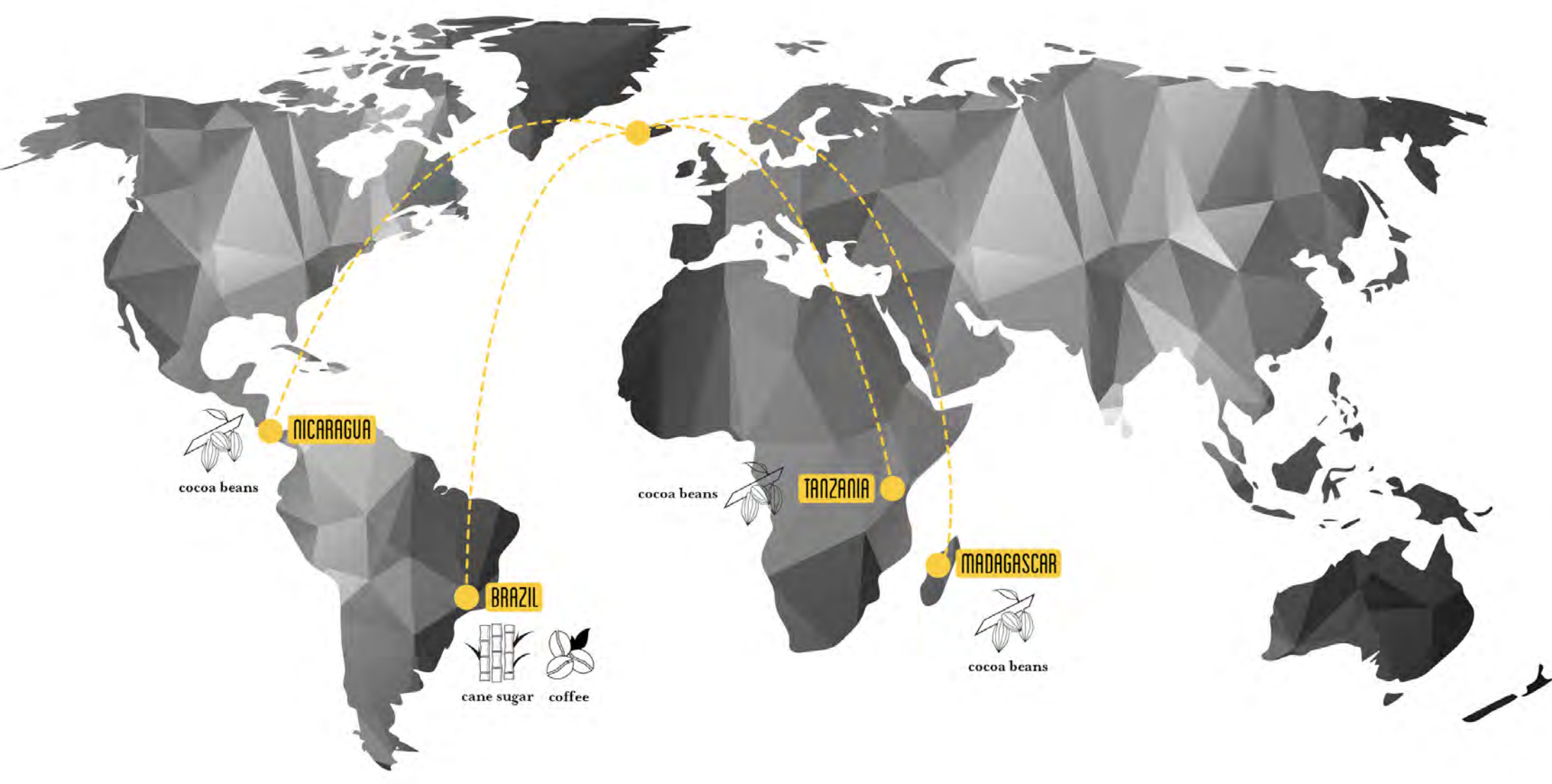
Bars made with these beans:



REYKJAVÍK  ROASTERS



Supply Chains



Future Goals

Sustainability and transparency are solid benchmarks to found a company on and run operations. However, there's always room for improvement. Even though we've sought out trusted sources, visited some of them and met their teams, it doesn't guarantee much for the future. Climate change and global economic shifts continuously alter the future of chocolate making. Our goal in developing these strong relationships is to work together against the tide of adverse change. Craft chocolate is all about improving the entire system - from individual farmer to final chocolate eater, from bean to bar.

Our goals for the next 3 years include:

Goal	Current Status	1 year action (2018)	by 2020 Action
Trips to learn at origin: - Madagascar, Akesson's Estate - Tanzania, Kokoa Kamili - Brazil, Native Cane Sugar - Peru, *Machu Picchu Foods, Cacao Tales	Planning trips - budgeting analysis - schedule and availability	Visit 2 of the 4 sources to learn more information first hand from our partner producers	Visit the remaining 2 sources and other potential sources of ingredients
Alternative (vegan) milk chocolates	Experimenting, testing, and tasting	Introduce a vegan milk chocolate to the product line up	Encourage MS dairies to certify their milk products organic/sustainable
Long term supply contracts - Expected Annual Use & Schedule - Partner Projects	Drafting supply contracts, scheduling order quantities for the year, brainstorming projects to create impact	Supply contracts with our anticipated needs, launch a partner project	Foresee 6-12 month plan for product implementation (ingredient ordering to finished bar), launch another project
Optimize transport, reducing fuel	Evaluating current transport systems	Outline plan for improving transportation	Reduce fuel use and ship efficiently
Evaluate packaging sustainability	Currently semi-recyclable, researching	Use only fully sustainable packaging	Have fully sustainable packaging materials
Evaluate operational sustainability	Assessing current levels of sustainability	Reduce in-house waste and energy use	Operate at lowest possible resource use
Achieve 100% ingredient sustainability - Cocoa butter 40% - Almonds < 1% - Hazelnuts < 1% - Others < 1%	Vetting sources for these ingredients	Achieve 96-98% sustainability: new sources implemented through our production process, evaluation of new ingredients for new products and their sustainability	100% ingredient sustainability, continuous re-evaluation of supply chains and updated sustainability ratings

Contact Us

Have more questions?

Feel free to reach out to us:

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e-mail us:
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with "Sourcing" in the subject line

Copies of certifications are available upon request.



Tempering a test batch



Omnom Factory Shop

Explanation of Certifications

Certifications are also something we consider in depth. Unfortunately, certifications alone are not foolproof guarantees of quality, especially in cocoa. Here's why: it's often too expensive for small producers to get certified, even if they've always qualified and met organic or Fair Trade standards. Our partners who have certifications appear on each producer profile page. Here's a general overview of some of the certifications:



Since 1991, Eco-Cert has certified EU organic products through inspections in over 80 countries. Both symbols reflect organic products in the EU.



The Canada Organic certification appears on any product in compliance with the 2009 Canadian Organic Products Regulations laws.



Founded in 2007, the Non-GMO Project verifies the absence of genetically modified organisms in various products.



For Life is a certification standard for corporate social responsibility. It represents sound practices in individual business with respect to social and environmental risks.



Rainforest Alliance and UTZ have recently merged with the goal of creating a single agriculture sustainability standard. This is to simplify the certification process and focus more energy on livelihoods of farmers and forest communities.



This symbol appears on products that meet organic standards according to the United States Department of Agriculture.



The Fair for Life certification ensures support and sustainability in communities globally through various supply chains.



The Fair Trade certification works on behalf of producers to improve terms of trade through dialogue, transparency, and respect.



Since 2005, the JAS (Japanese Agricultural Standards) organization certifies organic products in Japan.

Terminology

Academy of Chocolate (Awards): an organization founded in 2005 that promotes a greater awareness of the difference between fine chocolate and mass-produced chocolate confectionery. The organization members meet to taste, discuss, demonstrate, and debate issues regarding sourcing, transparency, and the journey from bean to bar. They also hold an annual awards ceremony.

Agrochemical: agricultural chemical. A chemical product used in agriculture that most often refers to pesticides, insecticides, herbicides, fungicides, and nematicides. This can also include synthetic fertilizers, hormones or other chemical growth agents.

Agronomist: a scientist specializing in soil management and crop production.

Animal Husbandry: the science of breeding and caring for farm animals.

Audit: an official inspection of an organization and/or its accounts.

Biodiversity: the variety of plant and animal life in the world or in a particular habitat.

A high level of which is usually considered to be important and desirable.

Bio-Pest Control: a method of controlling pests (insects, mites, weeds, plant diseases) without the use of agrochemicals.

Bio-Waste: waste composed chiefly of organic matter (e.g., manure, sawdust, food scraps, or unused crops).

Byproduct: an incidental or secondary product created in the manufacture or synthesis of something else.

Cacao: the plant from which chocolate is made, and the unfermented agricultural products that come from it. This term includes cacao pods, pulp, or "raw" beans.

Cacao Genetics Analysis: a DNA breakdown of which varieties compose a particular cacao fruit (e.g., Criollo, Trinitario, Amelonado, Nacional).

Carbon-Neutral: making or resulting in no net release of carbon dioxide into the atmosphere, especially as a result of carbon offsetting.

Child Labor: the employment of a child in a business or industry that violates state or federal statutes prohibiting the employment of children under a specified age.

Climate Change: a change in regional climate patterns. In particular, a change apparent from the mid- to late- 20th century onward responsible for the increased levels of atmospheric carbon dioxide produced by the use of fossil fuels.

Cocoa: the processed elements that come from the cacao plant. This term includes cocoa beans, nibs, mass, liquor, paste, butter, powder, finished chocolate, or drinking chocolate.

Cocoa of Excellence: an entry point for cocoa producers to participate in the International Chocolate Awards (ICA), a global competition recognizing the work of cocoa farmers and celebrating the diversity of cocoa flavors.

Commodity Cacao: the cacao sold on the global market and often tied to the stock price for cacao/cocoa. It is usually sold in large, bulk quantities.

Cooperative: a farm, business, or other organization which is owned and run jointly by its members. The members share the profits or benefits.

Craft Chocolate: any chocolate made in a detailed process where many of the variables are better controlled in an effort to improve quality.

Deforestation: clearing a wide area of trees, often for agricultural use.

Direct Trade: purchasing direct through a producer. This method is not a certification; it's just a way of doing business.

Economic Impact: the measurable changes that occur following trade and/or transactions.

Ecosystem: a community of organisms and its environment functioning as an ecological unit.

Farmer Payout: the amount of money from the purchase of an agricultural product that makes it back to the farmer who cultivated the original source.

Fermentary: a location where wet cacao is brought to be processed into finished cocoa, most often by fermenting and drying the beans.

Fine Flavor Cacao: a distinction used by some craft chocolate companies and cocoa producers to distinguish their beans from bulk, commodity beans. This is not a guarantee of quality, sustainability, or particular flavors, and this is not a certification.

Forced Labor: the situations where people are coerced to work through the use of violence or intimidation or by more subtle means such as accumulated debt, retention of identity papers, or threats of denunciation to immigration authorities.

Fossil Fueled: a system or process that uses natural fuels (e.g., coal or natural gas) as inputs for producing energy or powering equipment. (Natural fuels form over centuries geologically and are from the remains of living organisms).

Gate Price: the price paid to farmers/producers for their cacao at farm gate. This price can be arbitrary, agreed upon, based on quality assessments.

Geothermal Energy: heat channeled from deep within the earth. This energy is tapped via underground reservoirs, usually near areas with high volcanic activity.

Grafting: inserting a shoot or twig from one plant onto another for cultivation.

Green Coffee: coffee beans that have not been roasted.

Hydroelectric Energy: energy derived from a source of water using kinetic energy.

International Chocolate Awards: an independent competition recognizing excellence in fine chocolate making and in the products made with fine chocolate.

Origin: one particular place where an agricultural product comes from (e.g., region, town, state, or country).

Pesticides: a substance used for destroying insects or other organisms harmful to cultivated plants or to animals.

Plot/Lot: a specific piece of land marked out for a specific purpose sometimes sold separate from other plots or blended.

Positive Engagement Approach: the implementation of systems that encourage common benefit where action is caused through the collaboration of two parties.

Post-Harvest: the procedures that occur after removing cacao pulp from the fruit (e.g., fermentation, drying, sorting).

Premium: relating to or denoting a commodity of superior quality and therefore a higher price.

Social Impact: the effect an organization's actions have on the well being of a community, an individual, a family, or other organizations.

Specialty Cacao: cacao of a higher quality than bulk, commodity cacao. This term is not certified and does not guarantee quality, sustainability, or good flavor.

Stakeholder: an organization or system where all the members/participants are seen as having an interest in its success.

Supply Chain: the system of organizations, people, activities, information, and resources involved in the production, distribution, and sale of a product, good, or service from producer to consumer.

Sustainability: avoiding depleting natural resources in order to maintain an ecological balance.

Terroir: the characteristic taste and flavor imparted to a food by the environment in which it is produced, traditionally used when referring to wine.

Traceability: the capability to trace something and verify the history, location, or application of a product through a supply chain by means of documented, recorded information.

Traditional Supply Chain: the typical flow of goods and services from producer to end consumer, often involving multiple buyers, traders, exporters, transporters, importers, and resellers. (Typically longer, traditional supply chains often decrease the cut of the profits the original producer makes and decrease sustainability).

Water Retention: the amount of water available in soil and its capability to keep that water without it draining through the soil to lower levels of the earth. This is tied directly to a crop's success and its ability to pull water from the soil for use.

Wet Cacao: the pulp and seeds of the cacao fruit (pod), collected together. Usually in bags, buckets, or large boxes, wet cacao is collected together for fermentation. Wet cacao can be purchased from producers or from processors/fermentaries.

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