Nestlé is building on its longstanding efforts to tackle child labor risks in cocoa production. Our innovative income accelerator program aims to improve the livelihoods of cocoa-farming families, while advancing regenerative agriculture practices. This ambition also includes transforming the global sourcing of cocoa to achieve full traceability and segregation of its cocoa products, helping to build consumer trust.

### How it works

**Tackling**
the root causes of child labor. Poverty and insufficient income is a leading factor in the prevalence of child labor risks.

**Helping**
cocoa farmers and their families through target-based incentives that can diversify incomes, increase cocoa yields and help move them closer to a living income.

**Supporting**
actions designed to deliver economic and social benefits: child protection and school enrollment, good agricultural practices, agroforestry activities and diversified incomes.

**Rewarding**
families not only for the quality and quantity of cocoa beans they produce but also for the benefits they provide to the environment and local communities.

**Transforming**
the global sourcing of cocoa to achieve full traceability and segregation of cocoa products.

**Scaling**
our 2020 pilot into a sizable test, with 10 000 families in Côte d’Ivoire in 2022, before extending to Ghana from 2024.

We will then assess the results and adapt before extending it to our full supply chain by 2030 (approximately 160 000).

For more details on the program, visit [www.nestle.com/living-income-cocoa](http://www.nestle.com/living-income-cocoa)
WHAT IS LIVING INCOME?

CHF 6365 per year

A living income is the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household.

The income accelerator program offers a novel approach to help farmers and their families steadily and sustainably build economic stability. The program enables, incentivizes and ultimately rewards practices that increase crop productivity and help secure additional sources of income, which aim to close the gap to living income and help protect children.

How is the program built?

The income accelerator program offers a novel approach to help farmers and their families steadily and sustainably build economic stability. The program enables, incentivizes and ultimately rewards practices that increase crop productivity and help secure additional sources of income, which aim to close the gap to living income and help protect children.

HOW DOES THE INCENTIVE WORK?

Incentives are put in place to accelerate the adoption of practices across four key areas. These incentives will stabilize over time as income from increased yields and diversified sources grows. They will allow families to earn up to CHF 500 annually for the first two years of the program and CHF 250 per year thereafter.

Families receive the full amount of the incentive by achieving targets in all four key areas, which are verified by our partners, Rainforest Alliance, the International Cocoa Initiative and suppliers.

Mobile payments
Payments will be delivered via a secure mobile service transfer that will ensure traceability directly from Nestlé suppliers to the intended recipient.

Payment calendar
Managing cash flow throughout the year is often a challenge. Incentives will be distributed when they are needed most.

Empowering women
Incentive payments are divided evenly between the heads of household.

Leaving no farm behind
The fixed incentive amount is a key feature of the program. It is not paid on the volume of cocoa sold in order to provide smaller farmers meaningful support, leaving no one behind.
Aiming to reach a living income

Phase 1: Baseline
Our model assumes a baseline of CHF 2,973, informed by the average productivity and revenue of Nestlé Cocoa Plan farmers.

Phase 2: Acceleration period
As families adopt the new practices and benefit from the program’s training and services, as well as the impact of the cash incentives, we anticipate an acceleration in income growth.

Phase 3: Ambition
The program is projected to double farmers’ baseline income, achieving a living income for families who participate in the Nestlé Cocoa Plan.

Monitoring our progress
The success of the program will be monitored with the help of KIT Royal Tropical Institute and the continuation of our Child Labor Monitoring and Remediation System (CLMRS), in collaboration with the International Cocoa Initiative. Find out more about the CLMRS in our Tackling Child Labor report.

Controlling for variables
Our model was developed building on static data (cocoa price and exchange rates) combined with data from KIT Royal Tropical Institute and Rainforest Alliance. The model will be updated as the program progresses and we gather additional data.

Our partners
The rollout of the program would not be possible without the assistance and collaboration of our partners: KIT Royal Tropical Institute, International Cocoa Initiative, IDH, The Sustainable Trade Initiative, Rainforest Alliance, local cooperatives and cocoa farmers, including the Governments of Côte d’Ivoire and Ghana.

2 Based on average income measured from a random sample of 1,269 farmers from 34 coops, sourced from Nestlé Cocoa Plan M&E Survey & Analysis of productivity indicators 2020 Results. The Rainforest Alliance (February 2021)
3 Model is based on the cocoa 2021/2022 season price