

## Innovation Forum x Nestlé

### Nestlé income accelerator program: Annual Progress Report

#### Webinar Q&A report

*Below are the questions asked live through the Zoom Q&A function. Some logistical comments have been removed, and spelling has been corrected. Questions that do not have a written response here were answered live during the webinar.*

1. How you addressing changing climate impacts over the life of current varieties being promoted? Any thoughts on which replacement varieties would be more resilient, and how they are engaging farming families on this?
  - a. *Local governments are responsible for setting the rules around cocoa tree distribution. We are open to collaborating with them. As part of the income accelerator program, we distribute shade trees to help farmers mitigate the impact of climate change on cocoa production.*
2. In 2020, Nestlé reported discovering more than 18,000 cases of child labour in its own supply chain. How has this developed since then? What is the current figure of child labour cases in your supply chain?
  - a. *A decade ago, we were the first company to start implementing a comprehensive system – the Child Labor Monitoring and Remediation System (CLMRS) – in collaboration with the International Cocoa Initiative (ICI) to help address and remediate child labour risks in our cocoa supply chain. In 2024, 123 953 households covered by the Child Labor Monitoring and Remediation System (CLMRS) to prevent and address child labour risks 96 580 children have received support through prevention and remediation actions as part of the CLMRS 26 857 children reported no longer engaging in potentially hazardous activities as part of the CLMRS.*
3. How does the programme/Nestle factor in benchmarking on living incomes to determine what prices are paid to farms/co-ops? e.g., the Living Income Community of Practice (LICOP) benchmark for a producer in Ghana in June 2024 was \$300 per month. Is this being paid to farmers in practice?
  - a. *The living income benchmark is a standard that defines the minimum income required for a person or a household in a particular place to meet basic needs and afford a decent standard of living. The living income benchmark for our income accelerator was calculated by the KIT Institute and was set at 7,928 USD for the year 2024, including the adjustment for household size and inflation.*
4. Thanks Chiara, can you explain whether/how Nestle ensures that this is paid to farmers (e.g. how does Nestle determine and drive farmgate prices, and are there fair terms in coo-op/farmer contracts for example?)

- a. The farmgate price is defined by the government. Incentives are paid directly to cocoa-farming families using mobile banking technology, which improves traceability.*
5. how do you reflect on the conditionality of the cash transfers? does it incentivize different behaviour or is it the combination with the household services/approach that has more effect on behavioural change?
6. I might have missed this but with respect to the 250 euros paid after every year after the first year, is that based on any conditions? do you have to have received 500 Euro in the first year to be eligible for the 250 euros per year?
  - a. No, each year conditionalities are independent*
7. What percentage of cocoa farmers in Nestle supply chains do the 50,000 (2026) and 160,00 (2030) targets cover?
  - a. 50,000 represents 34% of farmers supplying us from Cote d'Ivoire and Ghana combined. The 2030 target will represent 100% in those countries.*
8. question for Faustin: Now that they have seen the positive results of the pruning, would they continue implementing this practice, even if there is no incentive going forward?
9. How did the increase in CSSD in Ivory Coast and Ghana impact the income accelerator project and the final impact on farmers? What tools could be put in place to manage the issue of CSSD either inside the income accelerator or in a separate sustainability program?
  - a. The KIT report shows that our program had a positive impact thanks to participating farmers' adoption of good agricultural practices, including pruning, weeding, shade management and pest control especially on black pod or mistletoe. Regarding swollen shoot, we are working in collaboration with the agricultural bodies of Côte d'Ivoire, who are coordinating activities around specific cocoa diseases.*
10. Swollen Shoot: what activities the agricultural bodies of CDI are coordinating for farmers of your income accelerator?
  - a. We are in close contact with ANADER in Côte d'Ivoire and are implementing their recommendations regarding swollen shoot disease. We are also prepared to collaborate more closely with agricultural entities in Côte d'Ivoire on research related to disease-tolerant cocoa tree varieties.*
11. Do you see a need and opportunity to roll the approach beyond these 2 countries?
  - a. We're firmly focussed on maximizing our positive impact in Ivory Coast and Ghana at this time.*
12. Do you use numerical solutions to collect farmer's operations and changes of practices?
13. in addition: do farmers have to pay for the pruning service?

- a. The service is subsidised by Nestlé (50%), and a deduction is made from the incentive to help cover implementation costs.*
14. For Faustin, with the higher revenue from cocoa, what are farmers' priorities for investment? Are they cocoa related investments (e.g. more pruning on more acres, inputs, etc) or rather investments in home, education or other non-cocoa activities?
15. How does Nestle intend to address the current price differential between Ivory Coast, Ghana and rest of the world, which at the moment is around five thousand dollars per tonne. This means that South America is forging ahead with investment in cacao.
  - a. Through our income accelerator, cocoa-farming families can earn an additional income. Farmers income starts with the farmgate price of cocoa which is defined by local governments in Côte d'Ivoire and Ghana. We also support the Côte d'Ivoire-Ghana Cocoa Initiative (CIGCI) to help identify long-term solutions that help cocoa farmers achieve and sustain a living income.*
16. What are the programme strategies to scale up impact and eventually exit from Nestle support?
17. Wouldn't it be more profitable for a farmer to join a Fairtrade program instead of the Nestlé program?
  - a. Most industry efforts offered premiums which are tied to the volumes of cocoa farmers are able to produce. We still pay a premium to cocoa producers for the quantity and quality of the cocoa we buy from them, but our program offers a deeper, more holistic approach that is based on household participation rather than farm size. The financial incentives are linked to social and environmental protections and are an innovative way to accelerate change at scale while helping to increase the level of income generated by individual cocoa-farming families. The distribution of the financial incentives between the farmer and spouse helps to empower women and recognizes the crucial role they play within cocoa-farming families.*
18. Thank you. How much is the premium that Nestlé pays with the program?
  - a. Through the income accelerator program, cocoa-farming families can earn up to EUR 500 annually for the first two years and EUR 250 per year thereafter as the program starts delivering tangible results, you can find more here:  
<https://www.nestlecocoaplan.com/sites/default/files/2025-06/Income%20Accelerator%20Program%20Report%20Progress%20Report%20-%20June%202025.pdf>*
19. Did you say that the pruning brigades hired local farmers and community members? i.e. people known to the farmers pruned each other's farms.
  - a. Yes, groups are made up of farmers and young people*
20. Did you measure Household Dietary Diversity or Women's Dietary Diversity?

- a. Yes - see more here: [https://www.kit.nl/wp-content/uploads/2025/06/2025\\_Nestle-Income-Accelerator-Program-Progress-report-of-the-test-at-scale-phase-FINAL-low-res-June.pdf](https://www.kit.nl/wp-content/uploads/2025/06/2025_Nestle-Income-Accelerator-Program-Progress-report-of-the-test-at-scale-phase-FINAL-low-res-June.pdf)
- 21. How did you finance this project? Who pays for the incentives for farmers?
- 22. Can you share the link to the report please?
  - a. Yes of course, here it is: [https://www.kit.nl/wp-content/uploads/2025/06/2025\\_Nestle-Income-Accelerator-Program-Progress-report-of-the-test-at-scale-phase-FINAL-low-res-June.pdf](https://www.kit.nl/wp-content/uploads/2025/06/2025_Nestle-Income-Accelerator-Program-Progress-report-of-the-test-at-scale-phase-FINAL-low-res-June.pdf)
- 23. can this program be extant to Malaysia, it would be interesting with different levels of approach to improve cocoa farmers livelihood
  - a. *We're focussed on maximizing our positive impact in Ivory Coast and Ghana at this time.*
- 24. 1-What concrete action items have been done to encourage agroforestry in this program?
  - a. *As part of the program, households receive more than 20 forest and fruit trees from Nestlé. Pruning groups distribute and assist with planting and cash transfers of 100 euros paid after seedlings are planted.*
- 25. 2-Did the program encountered land issues in the agroforestry actions implementations?
  - a. *No we haven't encountered such issue*
- 26. As Daan mentioned, it needs to work for all actors in the value chain, so I was wondering, what is the business proposition for Nestlé for this program?
  - a. *We see this as ensuring supply chain resilience for a critical agricultural product.*
- 27. Given that comparator and accelerator HH had similar progress in closing the living income gap and accelerator households had higher cocoa incomes, does that mean that comparator households had the ability to adapt and increase their non-cocoa income sources? i.e. both types of households were able to be flexible and adapt but just in different areas (comparator→nci vs accelerator→cocoa income)
- 28. Question for KIT: are you tracking who actually decides how the cash is used in households? And if so, are we seeing any shifts in decision-making power for women yet—or is it still mostly business as usual?
  - a. *Women in the program have benefitted significantly from Village Saving and Loans Associations (VSLA) participation and Gender Action Learning System (GALS) training, leading to increased savings, loans, and empowerment. They have also benefitted from an equal distribution of mobile money. As the report shows, there has been a 18% higher women empowerment index. See more here: [https://www.kit.nl/wp-content/uploads/2025/06/2025\\_Nestle-Income-Accelerator-Program-Progress-report-of-the-test-at-scale-phase-FINAL-low-res-June.pdf](https://www.kit.nl/wp-content/uploads/2025/06/2025_Nestle-Income-Accelerator-Program-Progress-report-of-the-test-at-scale-phase-FINAL-low-res-June.pdf)*

*in addition one component of the empowerment index is specific to decision making about investments and use of incomes, so the increase in empowerment is definitely a mix of increased access to resources, higher participation in decision making and higher social capital (from participating in more groups and trainings)*

29. To Stephane - what would you say was the biggest challenge or barrier between conception and implementation/kick-off of the program (internal or external)?
30. To what extent do Nestle's investment in the Cocoa Plan and Income Accelerator help with supply chain traceability? Do the closer relationships with farmers help with meeting higher traceability expectations such as the EU Deforestation Regulation?
  - a. *Farm geolocation is a key requirement to both Nestle Cocoa Plan and the Income Accelerator. It increases our capacity to deliver traceability, especially for the beans we buy. Traceability is one important aspect of EUDR, and we believe that our experience to date will help us meet the requirements.*
31. We developed and documented improved, low-cost methods to establish and manage agroforestry tree legumes in humid tropical Africa... anybody interested.
32. Thank you for this fantastic and timely initiative. I supervised a similar project in Nigeria and wonder
33. Congratulations for this initiative! Alejandro Contreras, Director Climate Risks & Resilience at Howden
34. Congratulations on the progress and thank you very much for this very interesting webinar with great speakers!