



For immediate release: May 9, 2012
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SUSTAINABILITY PROGRAMS DRIVES 'GOOD' INVESTMENT TO MEET RISING GLOBAL FOOD DEMAND

Blommer Chocolate Company plots sustainability roadmap

CHICAGO – Blommer Chocolate Company, the largest cocoa processor and ingredient chocolate supplier in North America, today announced its plans to invest an incremental \$45 million in cocoa sustainability efforts by 2020 as a part of its Sustainable Origins program. Driven by an effort to meet rising consumer demand and to help its customers achieve their sustainability goals, the company pledges to reach an additional 50,000 cocoa farmers worldwide, building on existing farmer programs to double its current farmer base to 100,000. The Blommer Chocolate Company, along with the entire global agricultural sector, is bracing for the growth of the global population to hit nine billion in the next 33 years. The issue of providing food and energy to feed a rapidly growing, global population is a concern, and cocoa is no exception.

Cocoa Demand Rises with Growing Global Population

Demand for cocoa is estimated to rise by nearly 30 percent in the next ten years, with growth driven primarily by the rising world population and the rapid development of countries such as China, India and Brazil. This increased demand threatens to outpace supply by as much as one million metric tons (25+% of current supply) by 2020. Cocoa farming is a challenging pursuit given the low yields, high loss from pests and disease and low level of training and inputs farmers have historically received. This growing environment poses a daily issue for farmers and a significant supply risk to the industry. While land-based expansion is not feasible, more environmentally desirable practices for existing cocoa farms are required to address the looming supply crisis.

Seeding a Sustainable Model for Success

The *Sustainable Origins* program aggregates Blommer's portfolio of established, sustainability programs. Through this global commitment, the company operates extensive farmer training programs throughout West Africa, Indonesia and the Americas. The programs are based on the Farmer Field School Model, in which farmer groups are trained in pre- and post-harvest agronomic practices that generate significant increases in cocoa yields and quality, and benefit from increased income as a result. The curriculum is tailored by the farmers, based on their particular needs and challenges, and also includes training on safe farming practices, environmental stewardship, HIV awareness and the appropriate role of children on the farm, while allowing for their continuing education.

"True sustainability can only be achieved through programs and activities that are, or become, self-sustaining," said Peter Blommer, President and COO of Blommer Chocolate Company. "As a multi-generational family business we believe that our industry has an obligation to help provide the education and tools necessary for farmers to improve quality, productivity and gain market

transparency – not only to keep pace with market demand for chocolate, but also to ensure the economic viability of cocoa farming for generations.”

To date, Blommer has invested nearly \$13 million into the cocoa sector to help meet the rising demand, with \$3.7 million in farmer training and infrastructure improvements and \$9 million in direct premiums to farmers for cocoa that meets their quality standards.

“We see that with proper farmer training, improvements in soil fertility and the introduction of stronger genetic material, farmers can increase their yields by more than 30 percent, driving an immediate and positive impact on family income,” said Kip Walk, Corporate Director, Cocoa and Sustainability for Blommer. Through Blommer’s existing programs, which include CIFOB in the Ivory Coast, SAFOB in Indonesia, PACTS in the Ivory Coast and the Amazon Project in Ecuador, farmers receive training in pre- and post-harvest best practices, access to seedling nurseries, solar driers and business training.

A Heritage of Success: Sixty Years and Beyond

Building upon Blommer’s long-history of cocoa sustainability, the company’s leadership can be traced back to the early 1950’s when company founder Henry Blommer helped create the American Cocoa Research Institute (ACRI). Blommer embarked upon its own private sustainability programs with cocoa farmers to improve quality, productivity and farmer incomes in 2002. Further, Blommer is proud to collaborate with other industry leaders, serving as a founding member and helping to lead the World Cocoa Foundation in 2000 and joining in partnership with the Bill and Melinda Gates Foundation to form Cocoa Livelihoods in 2009.

Today, more than 50,000 farmers actively participate in Blommer’s sustainability programs, generating increases in cocoa bean yield as well as increased marketing skills. Additionally, Blommer provides premiums that have led to the establishment of schools and medical facilities to provide much needed services for cocoa farmers and their families in rural locations. For example, a Blommer Medical Center opened in January 2012 in rural Yakasse Attobrou, Côte d’Ivoire, providing growers and their families’ critical medical services, often only accessible in distant, urban hospital facilities. Additionally, tens of thousands more benefit from Blommer’s shared involvement in collaborative sustainability initiatives with other industry partners, organizations and private foundations.

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About Blommer Chocolate Company

Blommer Chocolate Company is the largest cocoa processor and ingredient chocolate supplier in North America. With over 650 employees and four strategically located manufacturing facilities in North America, the company provides comprehensive business solutions for domestic and international customers of all sizes in the confectionery, baking and dairy industries. Among Blommer’s core competencies are cocoa bean processing, chocolate manufacturing, commodity risk management, and product and process R&D.

The company is a leader in advancing sustainable cocoa farming, playing an active role in the World Cocoa Foundation and promoting sustainable farming practices through its privately managed programs in Cote d’Ivoire, Indonesia and Ecuador. Founded in 1939, the family owned and operated company maintains an outstanding reputation for customer service and quality. For more information about Blommer Chocolate Company, please visit www.blommer.com.