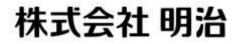


# Meiji's Initiatives in Cocoa Producing Areas (Agroforestry and MCS)

**Confectionary Sales Division** 





## 1. Company Outline

- 2. Social Contribution Activities for Confectionary Business
- 3. Cacao Production and Procurement
- 4. Agroforestry
- 5. Meiji's Initiatives



# 1. Company Outline

#### Meiji Holdings Co., Ltd (Meiji Group)





「おいしさ、楽しさ、健康、安心」を2つの明治で、もっともっと。

#### 明治ホールディングス株式会社

株式会社 明治

食品事業領域を担当

Meiji Seika ファルマ株式会社

薬品事業領域を担当

2009	Established "Meiji Holdings Co., Ltd." as a joint holding company, integrated management of Meiji and Meiji Seika
	Due to Group internal reorganization, launched "Meiji Co., Ltd." and Meiji Seika Pharma Co., Ltd
2016	100 year anniversary since foundation

## Regarding business expansion of Meiji Group meiji

Through delicious and enjoyable food, and providing health value both spiritually and physically, we contribute to better lives for customers of all generations



We enjoy the top share domestically for various categories including chocolate, yoghurt, milk, sports protein and liquid foods. (researched by Meiji in FY2016)



# 2.Social Contribution Activities for the Confectionary Business

#### Social Contribution Activities in Confectionary meiji Domain 2008~

With "Supporting smiles through chocolate" as a keyword, launched "support through chocolate" since 2008



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#### Initiatives for Global Environment: Contribution toward Amazon Forest Regeneration

By producing and selling chocolate using cocoa beans harvested through Agroforestry in the Tomé-Açu region of Brazil, Meiji wants to uphold sustainable activities conducive to forest regeneration and which support farmers.

We want to appeal the merits of these activities in various settings, and deepen understanding regarding "Agroforestry" and "Meiji's Activities".



#### Belem

In 1929, some 300 families of Japanese descent set up and began living approx. 230Im to the south of Belem in Para State, located in the mouth of the Amazon.



# 3. Cacao Production and Procurement

meiji

At the Meiji Group, we are committed to fair and transparent transactions and maintain compliance with laws and regulations, working in cooperation with our partners to ensure procurement fulfills our social responsibilities including humans rights and the environment.

- Legal and Ethical Compliance
- •Quality and Safety
- Fair and Transparent Selection of Suppliers
- Protection of Human Rights and the Environment
- Mutual Trust and Collaboration with Suppliers

## Production and Procurement of Cacao Beans meiji

Cacao Trees only occur in high temperature high humidity tropical area with a latitude of 20 degrees north and south of the equator; this region that is ideal for cacao cultivation is known as the "cacao belt"

#### 3 main characteristics of cocoa bean production

- 1. The global production amount is approx.4 million tons, of which about 70% is produced in Africa.
- 2. Central and South America, the origin of Cacao, does not currently produce a significant amount.
- 3. More than 40 countries globally produce cacao, with the 7 major countries producing approx. 89% of the total amount.

The amount of cacao beans imported by Japan is approx.40,000 tons, consuming about 1% of the worlds cacao.

	State of	Global (2015	Japan's cacao import producing country														
Rank	1	2	3	4	5	6	7	Producing Country	Tons								
	Cote D'Ivoire	II-nana I														Ghana	28,384
Producing Country			na Indonesi a	Ecuador	Cameroo n	Nigeria	Brazil	Cote D'Ivoire	3,409								
								Venezuela	2,860								
10,000	165	80	32	22	22	19	18	Ecuador	2,859								
tons								Dominican Republic	830								
			Brazil	448													

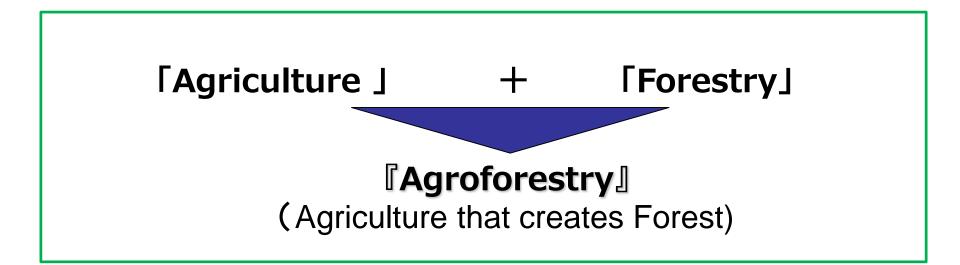


# 4. Agroforestry

## What is Agroforestry?



Agroforestry is a portmanteau of "Agriculture" and "Forestry", and is called "Agriculture that creates forest". This method of agriculture was established by Japanese settlers in the Brazilian Amazon around 1929. It involves learning from natural ecosystems and cultivating trees or shrubs around various other agricultural or forestry products. Aiming to regenerate woodlands through the sustainable use of land, this method is increasingly recognized for being conducive to stable operations for farmers while also helping to preserve biodiversity and to reduce  $CO_2$ 

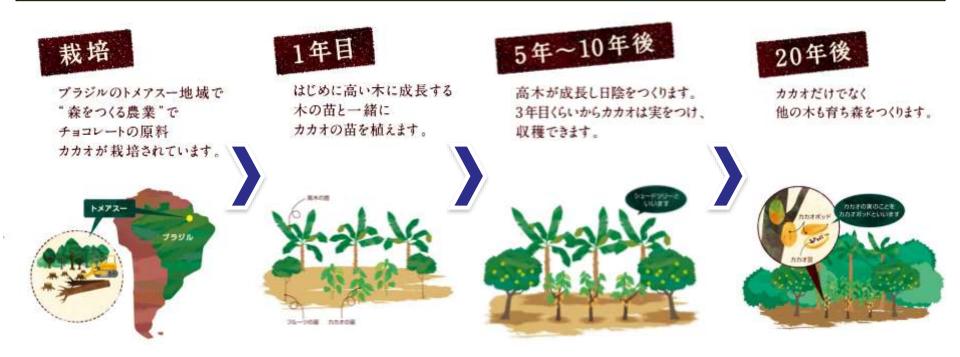


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## **Merits of Agroforestry**

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Controlling forest depletion is one of the major challenges in Brazil. This sense of crisis has ushered in sustainable production that was not possible under the traditional monoculture, and instead of burning and destroying forests, the same land can now be used to cultivate diverse trees and agricultural products at the same time, meaning that the land is always covered in green. This also allows stable revenue for farmers and facilitates forest regeneration by using land that was once deforested or cultivated.



## Characteristics of Agroforestry



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## Agricultural produce from Agroforestry meiji

#### **Diverse crops produced by Agroforestry**



Cacao, Passion Fruits, Acerola, Cupuaçu, Graviola, Acai, Coconuts, Gum, Brazil nuts, Parika, Mahogany, Pepper Cacao Beans produced by Agroforestry are still in the minority and are rare globally. Meiji began importing in 2009.



# 5. Meiji's Initiatives

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## Launch of Agroforestry Chocolate

#### Productization

Launched in March 2011

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By releasing a symbolic product, spread the word about how great the Agroforestry method is.



Agroforestry Chocolate Milk



**Agroforestry Chocolate Bitter** 

#### [Product Characteristics]

"For raw material, uses cocoa beans cultivated in order to "create the forest". This chocolate draws on the florid sourness of cacao beans cultivated in the Tomé-Açu farm of Brazil. The lineup includes 2 delicious flavors, "milk" and "bitter". This "Chocolate to create the forest" is highly recommended to people with a high environmental awareness.

## Creating Chocolate through Agroforestrymeiji



Meiji entered a contract with Cooperative Agricola Mixta de Tomé-Açu (CAMTA) regarding the purchase of Cacao beans, and while supporting the sustainable forestry largely upheld by Nikkei Brazilians, will also contribute to forest regeneration in the Amazon.

## Meiji Cacao Support (MCS)



In order support farmers and to ensure sustainable production of cacao beans, Meiji implements **Meiji Cacao Support** (MCS)

#### **Issues faced by Cacao Farmers**

"Repotting of trees", "Steady procurement of saplings and manure", "Learning of cultivation and fermentation techniques"

#### **Agricultural Method Support**

- Establishing sapling centers
- Technological assistance for increasing harvest yields
- Instruction for Meiji
  fermentation method

#### Livelihood Assistance

- Donation of wells and mosquito nets
- Donation of school equipment
- Convening of art class, choco classes

#### Stable production, stable procurement of high quality cocoa beans

- **1.** Increased harvest yields for cocoa beans  $\Rightarrow$  steady operation of farms
- **2.** Introduction of Meiji fermentation method  $\Rightarrow$  fine-tuning taste, PP
- Building relationships with cacao production areas ⇒ stable procurement (price/amount), safety and peace of mind.





## Inception of "Meiji The Chocolate"



Handpicked from cacao farms, "The Chocolate" is the consummate "BEAN to BAR" chocolate. Its color and texture, melt-on-the-tongue quality and all aspects are the height of discernment that is of a quality recognized around the world.