This reference handout is based on a live webinar given by Inge Verburg and Sarah Browne, Customer Marketing Manager at UTZ.

The recording of the webinar can be found [here](#).
Today’s webinar

1. Mass balance is a credible and viable way to source sustainable cocoa

2. Mass balance is a good story to tell: do’s and don’ts for making a credible claim

Other questions?
membersupport@utz.org

We regularly get questions from companies on the topic of mass balance. When you’re working in marketing, communication or CSR you’ve probably heard about the concept and know your company is sourcing certified cocoa through the mass balance principle. But what does it exactly mean again?

Understanding it yourself is one thing, but explaining it to others is another. Perhaps you get questions from customers or journalists about mass balance. Or you are not sure how to make the right claims in your communication about chocolate products.

With this webinar we’d like to support you in your understanding of and communication about mass balance. I’ve mentioned cocoa and chocolate already, we don’t offer this traceability model for coffee and tea.

First I’ll discuss what mass balance is, why it exists and how it is a credible and viable way of sourcing sustainable cocoa.

Then we will talk about ways to explain and communicate about mass balance to your audiences and how to make credible claims.

For other questions, you can get in touch with our member support team, via membersupport@utz.org.
I’d like to start this session with showing you this clip, explaining what mass balance is. That way, we are all on the same page and have an understanding of the concept. It takes about 3,5 minutes.

Click on the visual to watch the clip or go to http://bit.ly/2hiqJbr
So, mass balance is a way to source sustainable cocoa. And did you know it’s very common? In fact >90% of all UTZ cocoa is sourced through the mass balance principle. Other certification programs, like Fairtrade and Rainforest Alliance also offer this traceability model in one form or another.

However, we do hear from our partners that the concept is subject to criticism and incomprehension and is sometimes seen as ambiguous or not transparent.

Of course we do understand that concern. That’s why we want to show you today that there is no need to be restrained about it: it is a credible way to source sustainable cocoa and you can communicate about it confidently.
But before talking about how to communicate and making the right claims, it’s important to understand why mass balance exists, and why it is a credible and viable way to source sustainable cocoa.
Separating certified cocoa from non-certified cocoa is usually very costly for buyers and processors of cocoa. If all companies had to keep their certified cocoa separate from their non-certified cocoa, often they would decide that it was too challenging, and make the decision not to purchase any certified cocoa at all. Mass balance makes it more feasible and affordable for companies to source sustainable ingredients.

So, why is mass balance a credible and viable way to source sustainable cocoa?

First of all, it assures that sufficient sustainable cocoa is sourced from UTZ certified farms to produce a certain amount of UTZ labeled chocolate products.

Secondly, it allows us to scale up the sustainable sourcing of cocoa, which positively influences the number of farmers benefitting from the program. This is important, as it is the impact on farmer level that matters.

We’ll dive a bit deeper in each one of these statements.
1.1 Assurance that sufficient sustainable cocoa is sourced

Example. Let’s say that 100 cocoa bags are collected in a warehouse in Côte d’Ivoire. The picture shows how two-thirds of this is certified and one-third is not. All of the 100 cocoa bags are needed to produce let’s say, 1000 chocolate bars. Only two-thirds of these chocolate bars can carry the UTZ logo and one-third cannot, as the amount of certified cocoa sourced is only sufficient for producing two-thirds of the chocolate bars. As you can see the proportions correspond.

Therefore, you – and your consumers – can be sure that when you see an UTZ label on a product, sufficient certified cocoa was sourced to cover the cocoa content of that product. However, this labeled product may not physically contain cocoa grown on an UTZ certified farm.

Of course I am aware that the cocoa supply chain is highly complex and variable, and that my explanation may be somewhat simplified. However, simplifying complex topics helps us to understand.
Our mission is to work towards a world where sustainable farming is the norm, meaning that eventually, no different traceability systems needed anymore. To achieve this, we need to make sustainable cocoa accessible and affordable for everyone – to the extent that is possible, of course - in order to scale up.

As you can see in this graph, which shows the growth in sales volumes of UTZ cocoa from 2010 until 2015, we are succeeding in that, also because we offer mass balance next to other options such as segregation. It allows you, the industry to source sustainable cocoa in different quantities and from different origins, without putting pressure on your profit margins.
Why do we want to scale up?

The more sustainable cocoa is demanded by the industry, the more farmers can benefit from the program and the greater the impact we have.

The program was launched in 2009, together with leading industry partners, and through this approach we have already been able to grow into the largest certification program for sustainable cocoa in the world, contributing to a better future for more than 465,000 cocoa farmers and their families living in 19 countries.
And *that* is what matters. It’s about the farmer.

Whether cocoa is sourced through the mass balance system or through segregation, the impact on the farmer is the same. For farmers, what’s important is that they sell their cocoa as UTZ certified. It doesn’t matter to them whether the cocoa ends up in one chocolate bar or another. What matters is that being part of the UTZ program benefits farmers; resulting in higher productivity, bigger incomes and better living conditions.
And we see it works, that certification does have a positive impact on the life of farmers.

This study with 725 cocoa farmers in Côte d’Ivoire found that almost all of the farmers surveyed experienced positive changes since joining the UTZ program.

The majority of the farmers mentioned that their living conditions had improved. They also reported improvements in better farm management and farm practices, increased yields and improved income...
UTZ certified cocoa farmers in Côte d’Ivoire had a higher household income than non-certified farmers. UTZ certified $2,692 per year, while non-certified farmers had $2,327 per year.

"Impact of UTZ Certification of cocoa in Ivory Coast" 2015, LEI Wageningen UR, utz.org/reports

... which we see here. UTZ certified farmers in Cote d’Ivoire had a higher household income than non-certified farmers.
We’ve now covered the concept of mass balance and why it’s a credible traceability model. Let’s move on to the next section and talk about communication.

Despite the fact we are perfectly able to explain why mass balance is a credible way of sourcing sustainable cocoa that benefits many farmers, we do of course acknowledge that it’s not always an easy story to tell. We understand that it can be complicated for consumers who assume the certified cocoa is in the package when they buy your product with the UTZ label on it. And we see that space limitations on-pack do not always allow for lengthy explanations.

However, even if it’s difficult, you do have a good and credible story to share.
In the next slides I’ll talk you through the materials and resources we have available to use in your communication towards both internal and external audiences.

Then we’ll look at the analogy of green energy as a way of explaining the concept of mass balance.

And finally we’ll discuss the do’s and don’ts for making credible claims in your communication about cocoa products.
It starts with having everyone inside your company understand the concept. To make your internal communication (or explanation) easier, we have these materials available for you. First, the Video we showed at the beginning of this webinar. This video is also available in German, French, Dutch, Spanish and Portuguese.

Secondly, an Infographic explaining the concept. Feel free to use them in the way that works best for you, whether it is embedded in your intranet page, in a sales pack or in a presentation. If you would like to have something translated into your language, we can always provide you with the open files or help you with the translation.

Both the video and infographic are great for internal use, but can also be shared on your website or other channels to explain how mass balance works to external audiences, such as consumers or press in case you get media enquiries. Additionally we have a resource page on our website and have put together a FAQ document to support you in answering the basics.

For any further support, don’t hesitate to contact us via marketing@utz.org.
When you choose green energy rather than conventional energy, you pay a little bit extra for it. What it means is that you are contributing to the use of less fossil fuels, in favour of a more sustainable solution, that is better for the environment. However the energy that enters your house does not necessarily come directly from windmills, solar cells or water basins. It’s impossible to keep the energy from windfarms that you pay for separate from the conventional energy your neighbour buys – it all gets fed into the same system and through the same cables to reach your home. So you don’t know where the green energy ends up.

So, after our explanation about mass balance in cocoa, you see how both energy and cocoa work in the same way. You source a sustainable product, pay for the volume you need and therefore contribute to making the sector more sustainable. The product you eventually get – whether electricity or chocolate – covers the volume needed but does not necessarily relate directly to the sustainable source.

The green energy analogy is also described in the FAQ document I just mentioned.
2.3 Making credible claims

Content
Made with
Contains
In
Trace

Purchase
Buy
Source
Support
Contribute

Let’s go through some do’s and don’ts for making credible claims.

First the don’ts. With mass balance, you can’t make any claims regarding your chocolate product containing UTZ cocoa. In other words: you can’t make any content claims. Key words to avoid are “made with”, “contains”, [the cocoa] “in” [our products], so any words that relate to the content of the chocolate product. But also references to the traceability of the cocoa from the product back to the farm cannot be made.

OK, so what wording is correct? You can make so called purchasing claims. Making it more concrete, key words to use are for example “purchase”, “buy”, “source”, “support”, or “contribute”.

Let’s look at a few examples to see if that’s clear.

Sourcing via mass balance should not withhold you from communicating about your sustainability efforts. You can definitely share your story about sustainable cocoa in a compelling and credible way, whether it’s on-pack, in-store, online or in print. And here it is important to do so correctly, because otherwise it can be misleading.
The next claim says: “By enjoying this chocolate, you contribute to a better life for farmers, their families and workers.”
This one is correct. The impact on farmer level is the same for mass balance as it is with any other traceability system. By buying a product for which UTZ cocoa was sourced, you therefore support the UTZ program and contribute to a better life for farmers, their families and workers.

The last one. “Since we work with UTZ all our chocolate is now sustainable”.
This is is a tricky one, but it is incorrect. The chocolate isn’t sustainable, as you are not assured that the chocolate physically contains the sustainably produced cocoa. Additionally, chocolate consists of more ingredients than cocoa, like milk and sugar. But the UTZ certification only applies to the cocoa, so you can’t refer to the whole chocolate product as being sustainable.

The first one: “This chocolate is made with UTZ cocoa.”
Can you say this when you source through the mass balance system?
No. You can’t. It refers to the cocoa inside the chocolate, which you cannot assure.
These claims work well to communicate your sustainability efforts when sourcing cocoa through mass balance. Whether you decide to explain how the mass balance principle works or focus on the impact of sourcing sustainable cocoa in your story, it’s always good to complement the on-pack messaging with off-pack communication where you have more options for a more elaborate message.

To support clear and consistent messages that are easy to communicate, we also included some examples of credible claims for on-pack and off-pack communication in our FAQ document.

If you’re not sure about a certain claim you want to make, feel free to drop us a line at membersupport@utz.org. We’re happy to think along.

In any case, we kindly ask you to run your off-pack and corporate communications past UTZ before publication or printing. Correct messaging helps to boost credibility and consumer trust which is of course in the interest of both your brand and our label.

We picked some communication examples from our partners round the world, which have been used both on-pack and online; on website and social media. As you can see they say things like: “We support sustainable cocoa farming with UTZ certified cocoa”, or “We are committed to sustainable sourcing and proud to be UTZ certified”, or “Did you know by purchasing this product you are helping build a better future for cocoa farmers?”
That brings us to the end of this webinar. A short recap:

Mass balance is a credible and viable way to source sustainable cocoa, as on farmer level, the impact is the same. The system allows us to make sustainable cocoa affordable and accessible for everyone, which means that even more farmers can benefit from the program.

Mass balance is therefore not something to withhold you from communicating. On the contrary: it is a good story to tell. We want to make sustainability the norm, and mass balance plays an important role in helping us reach that goal. By communicating your commitment and efforts, we are not only reaching more farmers but also making people more aware, which can in turn encourage others to act, either by starting to source sustainable cocoa or increase their volumes.

We hope this webinar has helped to strengthen your understanding of mass balance, and that you feel better equipped to explain the concept to your audiences and confident sharing a credible story.
We have the following resources and materials about mass balance available for you:

- **Video** (also available in [German](#), [French](#), [Dutch](#), [Spanish](#) and [Portuguese](#))
- **Infographic**
- **Resource page** on the UTZ website
- Article ‘5 things you need to know about mass balance’
- **FAQ & credible claims** (PDF)
- Free [e-course](#) on UTZ Academy (click on ‘log in as guest’)
- Subscribe to our [newsletter](#)
- [E-mail us](#) with your questions
We hope you found this webinar useful and interesting. Please send any feedback to marketing@utz.org.