

How one Swiss company set the standard for Fairtrade organic cocoa production - WATCH

By Anthony Myers

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PRONATEC, an owner-run Swiss family company that maintains long-standing partnerships with cooperatives in the countries of origin, has been a pioneer in the global organic and Fairtrade movement for 45 years. In 2022, it opened its own impressive and state-of-the-art organic cocoa processing plant – and invited ConfectioneryNews for an exclusive look around the site to see how it operates.

“It has been snowing and so we are struggling with one of our cooling circuits .. I didn't expect it, but most of the plant is running,” says a relieved Yannick Rihs, the plant manager at Switzerland's first fully organic cocoa processing plant, owned and operated by PRONATEC.

Located approximately 50km north of Zurich near Schaffhausen by the Rhine Falls and close to the German border, the multi-million Swiss Franc facility officially opened in September 2022 and when fully operational, expects to process approximately 14,000 tonnes of organic cocoa a year.

It's a considerable investment but it means that from procuring the beans from small-scale farmers, through fermentation and export to processing and sale of the finished product, all stages of the process are in uniquely PRONATEC's own hands.

"We started with one shift, then one-and-a-half shifts, two shifts and now we are running three shifts," says Rihs, who, having worked previously for Bühler, the main machinery supplier for the factory, was responsible for the design and fitting out of the factory as well as the production process.

The new organic cocoa factory took two years to build and can process two tonnes of cocoa beans an hour in small or large batches into cocoa mass, cocoa butter, and cocoa powder for various customers from the chocolate, food and cosmetic industries in Switzerland, Europe, North America and Japan.

The plant can run 24/7 like any other industrial plant and the control system is designed to process small batches (25 tonnes) in a way that enables it to differentiate clearly between batches.

"And so we are really able to run it like a big plant but still have a very clear separation of batches, and this is pretty unique," says Rihs. "Of course, we process only organic products in the plant, so we have to make sure that we don't have cross-contamination in the tanks."

Rihs explains that PRONATEC'S whole supply system relies on these batches where the beans have been organically certified, fermented dried, and bagged together at origin, before being loaded on a container for shipping to The Netherlands or Belgium.

"Basically, when the beans enter the plant we know which batch is which because we taste the beans and then we decide what we do with them.

If you don't have the whole supply chain in your hands, then you are the victim of destiny -- Yannick Rihs, the plant manager

"So, the ones that have the most interesting taste profile will go into cocoa mass (liquor) and the rest will go into powder and butter.

"We have two delivery options we can either package in 25 kilo cartons, which are the industry standard or we can fill the product directly into trucks with logistics companies that we work with," says Rihs.

The fact that PRONATEC has complete control of the supply chain there is seldom a bad batch that enters the factory.

"What is also important with this batch system is that everything is designed around it. So, a container arrives we process the intake, and the cleaning and then calculate the yields from an individual batch," Rihs explains.

"We check for pesticides and so on because the only moment where you can be sure that it's pesticide-free is as cocoa liquor before then it's too inhomogeneous. This enables us to see if there has been a problem in the supply chain, and we learn from it. If you don't have the whole supply chain in your hands, then you are the victim of destiny."

Rihs says this is where a lot of other companies struggle. He gives an example of a rare occurrence when PRONATEC had an issue with traces of pesticide in beans from a cocoa cooperative it was working with.

"We knew the batch came from this region so we talked to the farmers about what happened and found a solution so that it doesn't happen anymore."



With a successful roll-out and the factory performing currently at 80% capacity before getting fully up to speed, Rihs would be forgiven for thinking his sleepless nights were over.

"Now we have this situation," he says, referring to a cold snap in early December when I visited the factory. It's the first time it's so cold, so it created some issues, but I think we will soon be running at 100%."

The factory is climatically controlled, and uses renewable energy with an efficient wastewater management system, and the partial shutdown was caused by one of the cooling systems failing to regulate as the temperature outside dropped. "The idea is to cool the machines with an atmospheric heat exchanger directly so we use basically the cold air right now in order to cool down our machines - the one that works," says Rihs.

Teething troubles such as this are to be expected, and Rihs is confident that the problem will soon be solved in time for the harsher winter months ahead, after all the factory is based in Switzerland.

"It's our first winter, and a separate circuit is causing problems, I expected the problem to be worse than it is. So it works pretty much according to plan."

Organic origins

The factory has 33 employees and PRONATEC 's headquarters are in the nearby town of Winterhur. David Yersin is the company's CEO and Managing Director, and appears unperturbed by the heating hiccup when we meet at the factory for my guided tour.

PRONATEC has been a pioneer of organically cultivated and fairly traded cocoa products, and also related commodities including, sugar, vanilla and spices, for over 45 years.

Its origins can be traced back to when Yersin's father, an engineer, developed the first whole cane sugar (brand name SUCANAT) while working in Madagascar. He noticed it was healthier than normal sugar and caused less decay in the teeth of local children.

"But in the end, there was no market for it," says Yersin, "It was very early, there was no organic trend so people didn't show any interest."

As the market was so small, the company decided to produce its own chocolate. "When I started, the company was very small, and we decided then to go into the organic market – and then we found out that there was a big demand for organic sugar. Because of political problems at the time in Madagascar, the company moved production to Paraguay. And began to market the world's first organic sugar, along with producing the first organic and Fairtrade chocolate.

"We found out that there was not enough supply of organic cocoa beans. The demand was quite high, but the supply of organic cocoa was inconsistent so the company established its own organic cocoa farms in the Dominican Republic in 1999," Yersin says.

The company invested a substantial amount in 225 certified organic cocoa cooperatives, and the country's small-scale production made it easy to work with farmers to produce organic beans that are certified as such at the very beginning of the supply chain.

"The Dominican Republic is much easier to grow organic beans because it's a small farmer structure with good agroforestry that naturally produces other plants with different fruits with no need for pesticides, so it was quite easy to get the organic certification – and Fairtrade certification."

Before PRONATEC built its own organic processing factory, the cocoa beans were imported to manufacturers in the Netherlands and in France, where the beans were turned into a semi-finished product like powder and cocoa liquor.

"The problem was always that those manufacturers were very big and the separation of the organic and non-organic was very complicated and it was not so easy to guarantee the organic quality of the cocoa.

"So, we decide to build a facility of our own, with the encouragement of other players in the organic market because PRONATEC had the scale and reputation to build up production," says Yersin.

Investment

The investment came in at around 56m CHF (\$60m) for the building and machinery, which was self-financed with the help of private investors and banks. The company can proudly boast that despite innovation and constant growth, the one thing that has never changed over the years is that it has stayed true to its mission of supplying the food industry and wholesalers with high-quality organic and Fairtrade certified products directly from their place of origin.

The new facility operates to the highest Swiss and international standards and one of its key features is that it has been designed for optimum flexibility and can easily switch from different origins. It already processes organic beans from across Latin America as well as smaller islands such as Madagascar and São Tomé.

As well as producing its own certified organic retail brand AMARRÚ chocolate in Europe, PRONATEC process and certifies organic cocoa beans for other clients, as well as producing chocolate for the private label market.

The company's turnover reached CHF 78 million in 2021 and its new state-of-the-art facility is ideally placed for further expansion as the demand for organic, sustainable chocolate grows.

"It has been a big step for us, and for me, and we are very happy that everything has worked out so. I would say that the demand for organic and specialized products, like we produce here is going to grow ... and the idea of organic and Fairtrade, will also grow further," says Yersin.

He informs CN that the new factory has also been designed to double production in the future with a second line of investment already lined up to buy more machinery.

Yersin says that because PRONATEC has always worked with organic commodities, its products are naturally 100% transparent and traceable and it uses technology in the form of apps to trace its cocoa back to the farm of origin.

This gives it a lead over its competitors, particularly with [the new EU legislation](#) expected to come into force later this year, banning certain products unless they can prove not to have caused deforestation.

Also, the Dominican Republic, where PRONATEC sources most of its cocoa, doesn't have issues with child labour. It is also a member of the Member of the International Cocoa Organization (ICCO) and The Swiss Platform for Sustainable Cocoa (SWISSCO) and recently became a member of Sedex, the largest data platform for supply chain assessment along with promoting ethically responsible business practices by sharing information within the network.

The company has also announced that in 2021, it broke the 2 million mark in Fairtrade premium payments for the first time, paying out \$2,364,735 in Fairtrade premiums to smallholders in 2022.

As a result, PRONATEC says it was able to increase smallholder farmers' income by an average of 21% through the FUNDOPO Fundación Dominicana De Productores Orgánicos where PRONATEC buys the entire harvest and in doing so supports more than 2,400 farmers.

- **PRONATEC will be at Biofach, the largest trade fair for organic food and agriculture, from 14 to 17 February in Nuremberg, Germany, Hall 1, Stand 451.**