Case Study 1: Cocoa, Côte d'Ivoire

• Smallholder land tenure • the agricultural frontier • child labour • agrochemicals
• country tools • downstream operators and substantiated concerns

Disclaimer: This summary was prepared by the co-facilitators of the EUDR Community of Practice (CoP). It is intended to share the key points discussed in the core group with the wider community of practice to foster mutual understanding, readiness, and alignment among the different actors involved. They should not be interpreted as definitive positions of different stakeholder groups or as representing what may be deemed compliant by the participating Competent Authorities. Rather, many of the recommendations and observations captured in this report point to what could be considered examples of good practices for the early implementation of the EUDR.

1. Case Setting

A company sources cocoa from Côte d'Ivoire through a network of cooperatives that aggregate produce from approximately 3,000 smallholder farmers, each cultivating between one and four hectares. Sourcing areas span a western forested zone near the Cavally and Nzo river valleys, and a centre-west zone where the boundary between farmland and classified forests (forêts classées) is particularly contested.
The company processes the cocoa into cocoa mass and sells it to a second company, which manufactures finished chocolate products for the EU market. The second company is a large, non-SME that has received the first company's due diligence statement reference number and accompanying traceability information.

A country-specific legality due diligence tool for cocoa in Côte d'Ivoire, developed with the Ivorian government through multistakeholder consultation, is available to support the first company's legal risk assessment.

A Competent Authority is reviewing the first company's due diligence statement, focusing in particular on how it moved from an initial risk screening to a reasoned conclusion that the cocoa was produced in accordance with relevant Ivorian legislation. Because a second company further down the chain relies on that due diligence statement, the case also tests the revised Article 5 downstream obligations regime introduced by Regulation (EU) 2025/2650.

2. Key legality issues in play

The case was built around four legal domains that recur across smallholder-dominated commodity supply chains:

- Land tenure: Most smallholders hold land under customary arrangements recognised in principle under the 1998 Land Law (as amended in 2019), but without a registered land title. A smaller subset hold a lighter, community-validated rural tenure certificate. The absence of a formal title does not by itself render occupation unlawful; the operative legal question is whether the landholding is consistent with recognised customary arrangements.

- The agricultural frontier and classified forests: Production is prohibited inside classified forests, though agriculture may be permitted within specific admitted-farm "enclaves." Boundaries for these enclaves are often unpublished, imprecise, or contested, and encroachment beyond authorised boundaries is common.
- Agrochemicals: National law requires the use of government-registered products only, but highly hazardous pesticides remain in use in parts of the sector. There is no mechanism for verifying compliance at individual smallholder level through documents alone.
- Labour and child labour: Family labour predominates and oral labour contracts are lawful. Child labour during harvesting is a documented, structural risk, tracked through national monitoring systems, even though on-farm labour inspection in practice is rare.

3. Key challenges and good practices by theme

3.1 Customary land tenure and land conflicts

Challenges:

- Verifying that customary occupation is lawful is difficult in the absence of formal titles, and the sheer number of smallholders (in some supply chains several hundred thousand) makes individual document collection unviable.
- Land disputes — between neighbours, within families through informal inheritance division, or with encroaching logging or mining concessions — can occur but often invisible to the operator unless a grievance is actively raised.
- Land tenure risks vary significantly across origins. In many West and Central African cocoa-producing regions, land disputes are relatively uncommon and are typically resolved at the village level. In contrast, in countries such as Madagascar, disputes over even very small plots are widespread. In these contexts, requiring evidence from local chiefs to confirm legal ownership is impractical, as the volume of confirmations needed would be unmanageable given the prevalence of disputes.
- Grievance mechanisms are frequently managed by cooperatives or exporters rather than by the operator itself, and grievance data is not always shared downstream, creating a real risk that land disputes remain hidden from the party ultimately responsible for the due diligence statement.
- Fact-finding missions or field verification are resource-intensive and cannot realistically be applied across an entire sourcing base; timelines can range from days to months depending on supply chain structure and local buy-in.

Good practices identified:

- Rely on a combination of evidence rather than a single source: check national cooperative or land registers where they exist, cross-reference multiple official and non-official sources, and use satellite/geolocation data as a supporting — not standalone — layer of evidence for consistency in plot boundaries over time.
- Establish clear escalation triggers so that field verifications or fact-finding missions are prioritised for cases supported by a specific grievance, NGO report, or other credible signal.
- Engage a broad set of local stakeholders, such as village councils, cooperatives, community representatives, when verifying land tenure, since grievance visibility depends heavily on who is asked.
- Treat land-related grievances as early-warning signals for wider due diligence review, not as isolated administrative matters.

3.2 The agricultural frontier and classified forests

Challenges:

- Even where recent official maps of classified forests exist, the legal basis and precise boundaries of "admitted farm" enclaves within them are frequently unclear or unpublished, and encroachment beyond those boundaries by farmers already inside the enclave is common.
- Highly fragmented, trust-based, informal supply chains make it easy for cocoa from a non-compliant farm to be re-routed to the same collector under a different name or attributed to a different, compliant farm.
- Excluding a farm "on paper" does not guarantee the cocoa is actually kept out of the physical supply chain, particularly where volumes per farm are very small.

Good practices identified:

- Overlay geolocation data against recognised protected-area datasets, but avoid excluding suppliers automatically on the basis of overlap alone, since agriculture may be lawfully authorised in some protected or classified areas.
- Where an overlap is detected, engage directly with the supplier to obtain and document an explanation. Exclusion of smallholders should be the last recourse, only for cases that cannot be adequately substantiated.
- Put exclusion commitments in writing and link them to contractual clauses, while recognising that this is a risk-reduction measure rather than an absolute guarantee. Competent Authorities underlined that the EUDR is based on an obligation of means and that operators should demonstrate proportionate, good-faith efforts.
- Recognise that country-level context evolves: some governments are actively working to document and publish clearer information on admitted-farm boundaries, which should reduce this uncertainty over time.

3.3 Child labour

Challenges:

- There is an unresolved debate about whether child labour and other human rights issues sit within the scope of EUDR legality due diligence at all. Some operators point to the fact that they are not linked to the EUDR objectives and view them as addressed more appropriately under separate labour and human rights regulatory frameworks. Others consider them integral to the "legality" concept under national law.
- Data availability is highly uneven: some cocoa-producing regions, especially in Africa, have well-developed structural risk data and monitoring systems. Other regions, and other commodities, have little to no granular data on prevalence or severity. This is mainly the case for the cocoa sector in Latin America.
- Companies may know that a risk exists, but struggle to determine its likelihood or severity, and even more so to identify effective mitigation measures beyond raising awareness or adopting codes of conduct. This leads to a key due diligence question: how far should operators be expected to go in mitigating risks before deciding to exclude a supplier or sub-supply chain?
- Cooperative-level monitoring and remediation systems exist but are not always independently reviewed by the operator, raising questions about what constitutes sufficient verification versus mere reliance on a supplier's own assurance.

Good practices identified:

- Where mitigation systems (training, monitoring and remediation programmes, partnerships with specialised organisations) were already in place before EUDR, treat these as a foundation to build on and document, rather than starting due diligence from scratch.
- Apply a risk-based, geographically targeted approach rather than a blanket approach across all sourcing origins, focusing resources on higher-risk production regions first.
- Use structured supplier questionnaires covering codes of conduct, monitoring procedures, and certification status, while recognising that questionnaire responses alone are indicative rather than conclusive evidence.
- Where an operator already addresses child labour risk under other regulatory regimes, document how that internal system also functions as part of the EUDR-relevant due diligence system, rather than duplicating parallel processes.
- The European Commission could further strengthen its EUDR guidance document by including practical examples of which human rights and labour rights issues fall within and outside the scope of the legality criterion. This would promote greater consistency and legal certainty in operators' due diligence.

3.4 Agrochemicals

Challenges:

- The risk of unauthorised pesticide use by farmers is widespread in the cocoa and coffee value chains. Furthermore, farmers are frequently reluctant to disclose agrochemical use, and residues have been found even on farms with organic certification.
- A pesticide permitted under national law may be banned in the EU; this is not automatically a legality breach under EUDR, but can trigger separate phytosanitary or food-safety issues under other legislation. This can create a risk of regulatory overlap and confusion.
- Environmental drift (wind, rain, water courses) means agrochemical use on one farm can affect a neighbouring farm, complicating attribution and verification.
- Direct verification at farm level is often not feasible for buyers positioned mid-chain, both practically (relationship is typically with a first-tier supplier, not the farmer) and legally (concerns about antitrust exposure from acting too directly on individual producers).
- In conflict-affected origins, traceability and information collection may be very severely constrained.

Good practices identified:

- Use a layered evidence approach: cooperative-level operational plans and purchase/training records, sample-based field checks, third-party laboratory testing, and audit reports, rather than relying on farm-level documentation that does not exist at scale.
- Treat recognised certification schemes (with defined prohibited-substance lists) as a useful starting point, requiring the operator to understand and be able to explain the underlying verification methodology rather than simply citing certification status.
- Invest in training, awareness campaigns and cooperative-level education as a proportionate mitigation measure where individual verification is not achievable.
- Clearly distinguish, in the due diligence system, between EUDR legality obligations (compliance with the producing country's law) and separate EU food-safety or import requirements, so that overlapping but distinct compliance issues are not conflated.

3.5 Reliance on country tools

Challenges:

- Country tools vary widely in scope, reliability and governance. Some are built on public national databases with unclear data ownership. Others are commercial platforms whose underlying methodology may not be fully accessible to downstream buyers who rely on their output.
- Different tools or methodologies can produce conflicting risk conclusions (for example, on deforestation or wetland overlaps), leaving the operator to judge between sources without full visibility of either methodology.
- Reviewing a detailed country tool or legal repository thoroughly requires significant time and specialist expertise that many operators, particularly SMEs, do not have in-house. Competent Authorities, too, are still building experience with how to assess operators' use of these tools, and expect practice in this area to develop over time.

Good practices identified:

- Treat country tools as informative inputs into, not substitutes for, a full legal compliance assessment. Operators should be prepared to explain to Competent Authorities how the tool was used, what data it draws on, and its known limitations or methodological gaps.
- Calibrate the depth of review to overall risk: apply more scrutiny where the country, commodity, or sourcing area is higher-risk, and proportionately less where risk is lower - while still completing a baseline legality check even in countries classified as standard or low risk.
- Where a country tool has known gaps, document those gaps explicitly in the due diligence system alongside the compensating steps taken, rather than treating the tool's output as a complete answer.
- Multistakeholder-developed tools (built collaboratively with government and local stakeholders) were seen as carrying more credibility than single-actor or purely commercial tools, though neither type removes the operator's own responsibility to reach a reasoned legality conclusion.

3.6 Downstream operators and substantiated concerns

Challenges:

- Establishing exactly which entity holds "downstream operator" obligations under the revised Article 5 regime can itself be unclear where a company plays a dual role (e.g. both operator and further seller) in a given transaction.
- There is an important legal distinction between general public information (such as an investigative media report) and a formally lodged substantiated concern. Competent Authorities do not treat published reports alone as amounting to a substantiated concern. They follow the guidance of the European Commission provided in the FAQ document on what a substantiated concern should include.
- Downstream operators are not expected to actively monitor media coverage, but once a concern is received (directly, or via a Competent Authority), a large (non-SME) downstream operator has an independent duty to investigate and may need to withhold product pending resolution. SME operators face a duty to inform but not necessarily to withhold product.
- For actors far down long, fragmented supply chains, tracing back to confirm or rule out a concern can take considerable time, and sourcing-area information is often treated as commercially confidential, complicating efforts to link a specific concern to a specific operator.

Good practices identified:

- Build a formal, documented process for receiving, evaluating and escalating substantiated concerns, including who within the organisation is responsible and how customers and the relevant CA are informed once a concern is confirmed.
- When a credible concern surfaces, engage in dialogue with suppliers, Competent Authorities and NGOs where possible to resolve the issue before it becomes a formal substantiated concern. Several participants noted that mature engagement practices in the cocoa sector (compared with some other commodities) already support this kind of pre-escalation dialogue.
- Understand that supplier codes of conduct are viewed by Competent Authorities as an indicator of a company's general approach, not as standalone proof of compliance. Codes of conduct carry more weight when paired with evidence that they are actively implemented (sampling, supplier assessments, periodic verification checks) rather than existing only on paper.
- For risk-based sampling of a large supplier base, be prepared to explain and justify the sampling methodology and its size to Competent Authorities as part of the due diligence system itself, not as a separate or informal practice.

3.7 Reconciling product prohibition with a risk-based due diligence approach

Challenges

- Competent Authorities highlighted some uncertainty over how the prohibition on placing non-compliant products on the market (Article 3) interacts with operators' obligations to assess and mitigate risks and with corrective measures (Article 24). There is a tension between strict compliance and the objective of supporting continuous improvement.
- Competent Authorities recognised that operators should not automatically disengage from smallholders when non-compliance is identified, but instead seek to support them in achieving compliance where possible. However, there is little guidance on how far operators should go before disengagement becomes necessary.

- In practice, inspections often take place after products have already been placed on the market. Questions remain about whether non-compliant products should be recalled, removed from the market, re-exported or otherwise managed, particularly where the products themselves pose no food safety risk. Destroying products that are safe would likely contravene other pieces of legislation that seek to reduce waste.
- Competent Authorities acknowledged the need for a harmonised understanding, together with the European Commission, of how these provisions should be interpreted and enforced.

Good practices

- Rather than focusing solely on individual non-compliant consignments, enforcement could encourage operators to improve their due diligence systems to prevent recurrence.
- Where feasible, operators should work with suppliers, particularly smallholders, to address identified risks and improve compliance, rather than immediately excluding them from EU-bound supply chains.
- Operators should document and implement proportionate risk mitigation measures before deciding to terminate sourcing relationships, where this is consistent with the EUDR.
- Additional guidance from the European Commission on the relationship between Articles 3 and 24, the role of corrective measures, and appropriate risk mitigation strategies would help ensure consistent implementation across Member States.

4. Summary

This case illustrated that legality due diligence for smallholder-sourced cocoa cannot rely on a single evidentiary approach. Effective practice combines layered evidence (registers, geolocation, cooperative records, sampling, and targeted field engagement), clear internal escalation triggers tied to actual risk signals rather than blanket assumptions, transparent use and documentation of country tools and their limitations, and a well-defined internal process for handling substantiated concerns as they arise. Across every theme discussed, participants converged on the same underlying principle: legality due diligence under the EUDR is judged on the reasonableness, proportionality and documentation of the process an operator follows.