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The Experts' FORUM



Feature Article:

La Siembra Cooperative:
Fair Trade and
Delicious!



La Siembra Cooperative: Fair Trade and Certified delicious!

La Siembra Cooperative, a leading North American Fair Trade organization, offers consumers high-quality, Fair Trade Certified products that improve the livelihoods of family farmers and the well-being of communities at home and abroad.

Established in 1999, La Siembra's products are designed to satisfy a growing consumer demand for environmentally-friendly products produced under Fair-Trade principles:

- Trading relationships between producers and consumers are built on egalitarian exchange, cooperation and integrity;
- Workers in the North and South deserve meaningful employment, fair wages and working conditions and a say in their future;
- Environmentally sound farming practices are crucial for the health and long term economic viability of farmers, regional ecosystems in which they live and work and the health of consumers globally; and
- Consumer education is critical in order to stimulate a fair and sustainable economy.

Basing the foundation of their company on these principles, la Siembra became the first company in North American to market Fair Trade Certified cocoa and sugar products. La Siembra's retail products, marketed under the brand name Cocoa Camino, include chocolate bars, hot chocolate mix, sugar, cocoa powder and chocolate chips.¹

Why La Siembra chose to manufacture Fair Trade products and how dairy ingredients are a part of that mix



Photo Source: www.lasiembra.com

La Siembra was founded on offering consumers a fair trade and organic hot chocolate as an alternative to what was available on the market. One of La Siembra Cooperative's main product lines falls under the brand name *Cocoa Camino*. *Cocoa Camino* is a line of premium Fair Trade Certified and certified organic chocolate, cocoa and sugar products

To follow the mission of the organization, La Siembra tries to source the dairy (skim milk powder in particular) from other co-operatives where possible.

¹ La Siembra Backgrounder, http://www.lasiembra.com/en/media_back.php

When the company began, there was no organic certified skim milk powder available on the Canadian market so a combination of non-organic skim milk powder and whey powder was used. When organic certified skim milk powder became available, they transitioned their hot chocolates from 70% organic to 100% organic.

Product Innovation key to success!

“Our company has always aimed to achieve first mover status in the categories of products we work with. Innovation and research and development are key to achieve this,” said Jennifer Williams, Operations Director.

As part of their desire to innovate, La Siembra had to do some recipe reformulation. Not having the internal expertise for this type of work, the company turned to the Canadian Dairy Commission’s *Innovation Support Fund* and the Guelph Food Technology Centre for help.

With the funds they received from the Innovation Support Fund, La Siembra reformulated their hot chocolate mix to incorporate 100% organic skim milk powder. Cocoa Camino Hot Chocolate “is Canada’s # 1 selling organic hot chocolate line. It is available in two delectable flavours: Milk Hot Chocolate and Dark Hot Chocolate. Cocoa Camino hot chocolate is flavourful, GMO-free and soy lecithin-free”.²

Innovating does come with a cost, and that cost can be financially draining for some companies. Thanks to programs like the *Innovation Support Fund*, La Siembra was able to get the expertise it needed to stay in the game. “Working with the Canadian Dairy Commission was a very positive experience. The marketing staff at the Canadian Dairy Commission was very collaborative and highly supportive of our project,” said Williams.

La Siembra Cooperative’s Team!



Photo Source: www.lasiembra.com

Challenges and opportunities

Of course, innovating in today’s competitive market is not without its challenges. Supply of organic skim milk powder and education for consumers on the transition to 100% organic hot chocolate were some of the issues La Siembra Cooperative faced. But with the wealth of funding and support available, many of these challenges can be overcome and lead to immeasurable opportunities.

² http://www.cocoacamino.com/en/prod_hotchoc.php

Facts & Figures³

- Cocoa Camino products are now available in over 2000 leading health food and grocery stores across Canada.
- Sales for 2006/2007 are projected to be just under \$6 million.
- La Siembra Co-operative is the first company in Canada to be registered as a Fair Trade importer of cocoa and sugar with the Fairtrade Labelling Organizations International (FLO).
- From May 2005 to June 2006 La Siembra paid over \$140,000 in above-world market Fair Trade and organic premiums to producers.
- In 2002 La Siembra was the first Canadian company to be awarded the prestigious Socially Responsible Business Award in conjunction with the 18th Annual Natural Products Expo in Washington, DC.
- Cocoa Camino chocolate bars became the first Fair Trade Certified products to win awards (Silver – Chocolate Mint Bar 2006, Gold – Dark 55% Cocoa 2005, Silver – Dark Almond 2004, Gold– Bittersweet 2003) in the Best Organic/Natural product category at the Alive Awards at the Canadian Health Food Association Tradeshow in Toronto, ON. In 2005, Cocoa Camino semi-sweet chocolate chips also won Bronze in the Best New Product Category.

Getting your product on the market

Innovation is important but equally important is the marketing plan for the product. To create a new an innovative product on its own is a challenge, but if research into where that product belongs in the market is not done, a great deal of time and money may be wasted. "Know your market well and plan your launch with enough lead time to ensure a smooth entry into the market," advised Williams. In addition, knowing your price point and who will distribute your product are important.

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³ http://www.lasiembra.com/en/media_back.php