

**case 1-430-483**  
**February 25, 2016**

## General Mills Commits to Sourcing 100% Sustainable Cocoa

After watching the sun rise from his office window over the Mississippi River, Jacob Madisson,<sup>i</sup> chief sustainability officer at General Mills, sat down at his desk. Cradling a cup of coffee in his hands, he tried to prepare himself for what promised to be a long day. On his desk at the company's corporate headquarters in Golden Valley, Minnesota, sat a glossy copy of the General Mills 2015 Global Responsibility Report. From health and wellness to the environment, the 119-page document detailed the significant progress the company had made toward its aim of being "one of the world's most responsible food companies."<sup>1</sup>

This morning, Madisson mulled over the new commitment General Mills made yesterday, pledging to eliminate 28% of the greenhouse gas (GHG) emissions in its value chain by 2025.<sup>2</sup> The company was making real progress, and he was happy to be a part of it. But that did not ease the pit that sat in his stomach because of cocoa. In 2013, General Mills announced its goal to sustainably source 100% of its top 10 priority ingredients, which accounted for 50% of its total raw material purchases, by 2020.<sup>3</sup> The sourcing of eight of these materials was improving steadily, though his team had made little headway on cocoa and domestically sourced corn. For him, cocoa was a much more pressing concern. Many were worried that the supply of cocoa could run out in a few years because of increased demand.<sup>4</sup> With only 10% of its African-based cocoa sourced sustainably in 2014,<sup>5</sup> General Mills needed a new strategy. What could General Mills do to accomplish such an aggressive commitment, while not sacrificing the other promises the company had already made? How should the company successfully transition to sustainable sourcing, given the complexities of the cocoa international supply chain? What should General Mills do to change its strategy?

At noon, Madisson needed to answer these questions and address his team as well as Chief Executive Officer Ken Powell on how to move forward with cocoa.

### History of General Mills Inc.

General Mills' beginnings date to the 1866 formation of the Washburn Mill, which later became the Washburn Crosby Company. Situated in Minneapolis, Minnesota, the Washburn Crosby Company introduced

<sup>i</sup> Jacob Madisson is a fictional character.

*Published by WDI Publishing, a division of the William Davidson Institute (WDI) at the University of Michigan.*

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