

# FAIRTRADE COCOA IN GHANA: BASELINE RESEARCH REPORT

2017



FAIRTRADE

## INTRODUCTION

Fairtrade works with almost 100,000 small-scale cocoa farmers in Ghana. Following a major expansion of cocoa certification in West Africa, Fairtrade began a collaboration with the World Agroforestry Centre (ICRAF) and Bioversity International in 2014, to develop a multidimensional baseline assessment of the situation of recently certified cocoa farmers and their cooperative unions in Ghana and Côte d'Ivoire. The rapid growth of cocoa certification in West Africa has created a unique opportunity to build a baseline for future monitoring and impact assessment. The baseline will form a framework for stakeholder engagement and improved intervention design, as the findings inform Fairtrade's work in West Africa.



## KEY FINDINGS



### Producer organizations need more Fairtrade sales and support to thrive

The newly-created producer organizations have grown rapidly and quickly become established as businesses. Because they do not sell cocoa directly, they are highly dependent on the Fairtrade Premium or other external support to provide bonuses and services to their members. Although Fairtrade sales have been growing, the research found that the membership of the cooperatives was growing at an even faster rate. With more Fairtrade sales, the resulting Fairtrade Premium would enable the producer organizations to provide more services and develop greater financial stability.



### Farmers are highly dependent on cocoa, but income from cocoa remains low

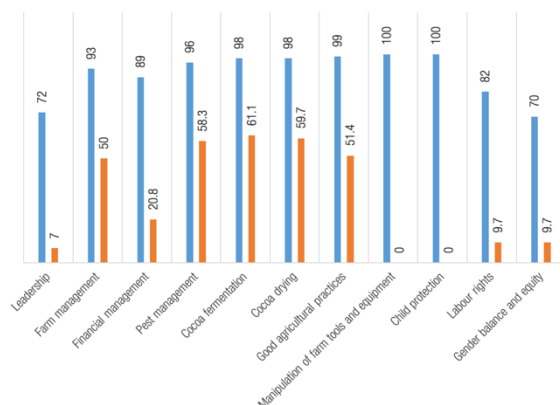
Cocoa was the principal source of household income for the farmers in the study, with average gross income from cocoa of US\$1459 per household, around 74 percent of household income. At this level however, cocoa production alone is not sufficient to lift these households out of poverty. While 90 percent of respondents reported other sources of income, only 46 percent ranked other food crops as the most important source of income besides cocoa. This suggests low agricultural diversification and a threat to local food security. Efforts are needed to increase agricultural diversification to augment economic activities in the communities.



### Fairtrade farmers have improved access to training but scope to increase cocoa productivity

The study found that access to training for cooperative members and their households has increased greatly across a wide range of topics. This compared favourably with non-members, who have much lower access to training. For example, 99 percent of cooperative members reported having received training in good agricultural practices, compared with only 51 percent of non-members. Fairtrade farmers are making progress towards implementing good agricultural practices, such as pruning and replanting. However, the cocoa productivity of the sampled farms was variable and there is still considerable scope to work with the farmers to increase this.

Figure 1: Percentage of Fairtrade cooperative members and non-members having received training



■ Percentage of members trained after joining cooperative  
■ Percentage non-members who received various training before 2014

## RESEARCH METHODS

The study collected data using a unique set of indicators, which was inspired by the key themes of the Fairtrade Theory of Change and '5Capitals' – a methodology that examines poverty impacts based on changes in asset endowments at the level of smallholder households and cooperatives. The research used a combination of key informant interviews, household and cooperative surveys, focus group discussions, and secondary data analysis.

Four recently-certified cooperative unions were selected according to predefined criteria, and a total of 422 cooperative member households were selected at random from 12 societies affiliated to these unions, accounting for 29 percent of the member households. In addition, 80 non-member households were interviewed to enable comparison between Fairtrade cooperative members and non-members.

## LEARNINGS AND RECOMMENDATIONS



### Support better resourcing of the producer organizations

The new cocoa cooperatives have been able to establish themselves quickly, and offer useful services to their members. However, these young organizations face real challenges in achieving financial sustainability. The research recommends that Fairtrade should support better resourcing of the cocoa cooperatives, by helping them to increase their Fairtrade sales, while also supporting them to develop other strategies for business diversification.



### Support greater productivity and diversification for cocoa farmers

The research found that Fairtrade could do more to enable cocoa farmers to maximize the productivity of their cocoa. This can form part of a broader strategy to support small-scale farmer to achieve the greatest possible profitability from their plots, including enabling them to invest into other crops where this can generate livelihoods opportunities or better food security.



### Foster deeper collaboration with key cocoa stakeholders

Fairtrade should work more closely with other cocoa stakeholders and service providers including government bodies and businesses to ensure a more complementary and targeted service offer to cooperatives and their members. This would help to reduce cooperative dependence on a small number of support actors.



### Work with the cooperatives to support gender equality

The research found that the cooperatives have a large female membership, but that women were less well-represented as leaders and elected representatives within the cooperative governance structures. There was some progress in this area as more women are becoming actively involved in the cooperatives, and attending the general assemblies where key decisions are made. However, Fairtrade can do more to support gender equality and women's leadership within the cooperatives.

## FAIRTRADE RESPONSE

Fairtrade welcomes the report recommendations. We are encouraged that the cooperatives have been able to establish themselves with Fairtrade support, and to begin to function as businesses and service providers to their members. We recognize that the coops have many support needs, and we agree that key challenges include growing sales, increasing cocoa productivity, supporting agricultural diversification,

and strengthening of the cooperatives to be able to achieve greater member engagement and gender equality. As part of our West Africa Cocoa Programme we are working with our own support teams and with key government and private sector actors to ensure that the producers can access greater coordinated support to help them continue to grow stronger as businesses and service providers.

**For more information** The full research report (including a summary section), and Fairtrade's response are available on the [Fairtrade International Impact and Research pages](#).

